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Editorial AS WE SEE IT

Help at the taxpayers' expense for "depressed" or "needy" areas appears to be regarded by many, if not most of the politicians at Washington, as a sure-fire way of getting votes. Efforts to modify the Administration plans for this purpose were accused of being nothing more or less than a program to take the political appeal out of the measure—and met with a very cool reception. Seven hundred million dollars of the taxpayers' money seems now quite definitely on the way to such areas—some of it previously asked for by President Eisenhower. Housing construction and repairs, efforts rather vaguely described in news dispatches as designed to attract industry or tourists to areas now regarded as "depressed" or "needy" are to be "financed" in one way or another by the national government—or at least that is the plan and hope of many politicians.

If anyone at Washington or elsewhere has made any serious attempt to understand just why this, that, or the other section of the country should be "depressed" or "needy" and hence to make possible some sort of rational judgment as to whether all that is being planned is likely to do what it is intended to do, we have not heard of it. One can hardly doubt that there is some cause or causes in each of the cases, the removal of which would be the logical and most promising mode of getting the area back on its feet and of solving the problems of the workers and others who are the victims of it all (sometimes of their own economic misbehavior). Neither can there be much rational doubt that such causes are often different in different areas. Yet programs to aid such areas seem to assume that they are all very much alike in what is wrong with them and in what would cure it.

Industry on the Move

It is, of course, inevitable with a rapidly growing industry in which technology is becoming annually revolutionized that industrial centers should tend to be more or less constantly on the move. *(Continued on page 19)*

Will Market Tree Grow to the Sky? —Some of the Problems Ahead

By Benjamin Graham,* *Vice-President, Government Employees Insurance Co., Visiting Professor of Finance, U.C.L.A., Los Angeles; Author, "The Intelligent Investor," "Security Analysis" (with D. L. Dodd)*

Doubting the widely assumed continuation of the market's past 12-year rise, interrupted only by three 20% setbacks, Mr. Graham now expects a pattern of wide "pendulum swings." Citing the "human nature element" in the stock market, he maintains the proportion of unintelligent speculation will increase further as the market advances, setting the stage for drastic losses. Notes disparity between market's recent action and economic factors. Suggests tax-exempt bonds for wealthy investors.

My study of history will not lead me to make any definite forecasts involving numbers and dates. That may be a disappointment to some, but it certainly is a great relief to me. The applicability of history almost always appears after the event. When it is all over, we can quote chapter and verse to demonstrate why what happened was bound to happen because it had happened before. This is not really very helpful. The Danish philosopher, Kirkegaard, made the statement that life can only be judged backwards, but it must be lived forward. That certainly is true with respect to our experiences in the stock market.

Benjamin Graham

Yet, I think that a knowledge of history—general history, financial history, stock market history—will be found useful for a broad perspective in planning one's course, even though it may create uncertainty and humility rather than cocksureness with respect to the immediate future. In any case, to start with a historical gesture of a sort, I shall refer to my previous address delivered before a New School audience almost exactly six years ago, in a series entitled "New Horizons in Business," and to which my own contribution was entitled "New Horizons in Investment."

It is chastening to consult one's former errors in preparation for committing new ones. So let me cite two paragraphs only from that April 1955 talk. One of them is a summary of what I said, and the other is the only piece of specific advice which I gave to the audience.

The summary is as follows:

"To sum up, barring atomic warfare, I see a generally favorable future for long-term investments, particularly investments in common stocks, which is now about the only interesting part of the whole field. My one unfavorable prognosis is that we shall continue to have a bull and bear market in the future as in the past and that for every 10% of overvaluation in the bull market, we are still likely as before to see a corresponding 10% of undervaluation in the succeeding decline.

"I predict a gradual but decisive change in corporate practices and investment policies to adapt both of them to the realities of our tax structure. I foresee also an important movement in the direction of a more effective check by stockholders on the stewardship of corporate management."

Let me add to that my other paragraph containing investment advices, as follows:

"I do not believe that the field of growth stocks, attractive as it is, is practical for the average investor to operate in continuously over the years. However, a separate case may be made for a concentration on public utility common stocks by the average run-of-the-mill investor. It might be said that this group occupies a special position. It gives almost a guarantee of adequate stability with a satisfactory rate of growth. The rate of growth will probably not be as large as that which might be experienced in indus- *(Continued on page 28)*

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 32.

The Security I Like Best . . .

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

W. H. OPPENHEIMER
Oppenheimer, Neu & Co., New York City
Members: New York Stock Exchange, American Stock Exchange

American Can Company

For yield, for growth, and as a blue-chip, American Can is presently the security I like best. When I was recently in Latin America, I was amazed to find that the "Dixie Cup" had become a part of the daily life in some of our southern sister republics. A few days ago, when arriving early at the office, the service man of our hot coffee and cocoa machine was refilling it with Dixie cups. I realized there and then that the growth factor of American Can—the owner of Dixie Cups since 1957—had escaped notice of late.


W. H. Oppenheimer

American Can — it should be emphasized — makes exclusively disposable products containing consumer goods. It is the world's leading manufacturer of metal containers. Sixty-seven percent of its sales stem from this source. Its Canco Division makes containers for some 1500 types of foods, beverages and other products. The steel strike and unseasonable weather affected 1960 profits of this division. These factors however, are a matter of the past. Higher can prices and the introduction of a new lighter tin plate, which is lower in cost and represents a major technological advance, should make for better profit margins from here on. Frozen fruit juices are a major growth factor for light cans. In addition, 1960 brought a major breakthrough for canned soft drinks, so that American Can is benefiting from now on from the strong growth of this industry as it did at the time when canned beer made its entry into America's households. In another new growth area — pressure cans — American Can is prominent. It won in 1960 design awards in five aerosol industry classifications.

The most exciting future potentials for the company, however, are to be found in developments in paper and plastic containers. That this is clearly recognized by the company is shown by the election of Mr. Roy J. Sund as President. Mr. Sund formerly headed the company's Marathon Division acquired in 1957. In the same year, the Dixie Cup Company was merged into American Can.

In order to have its own raw material sources for paper, American Can has cutting rights on 2,550,000 acres of timberland in Canada and owns 530,000 additional acres in both the U. S. and Canada—a very valuable inflation-hedge. Last year it acquired 125,000 acres of choice timberland in Alabama, adjacent to the modern pulp and paper mill of its Marathon Division, where a new automated paper machine was installed with a 300-ton per day capacity for high quality paperboard for food and other packaging uses. In 1960 a revolutionary carton for bacon, adopted by major packers, was developed as well as a new bake-in, sell-in package for cakes. The Marathon Division is closely tied to the tremendous growth of packaged food sales in supermarkets. The purchase of pre-cocked, prebaked and packaged food makes life easier for the busy American housewife and has become part of American life.

The famous Dixie Cup Division accounts for about 16% of total sales, the same as does the Marathon Division. The stupendous future growth for the Dixie Cup Division is assured by constantly increasing installations of food vending machines. Even the White House has installed a battery of such machines for its employees. In 1960, Dixie Cup made a dramatic addition to its line by developing a cup for hot drinks. This cup has a band of insulating foam material making it possible to pick up the hottest cup of coffee with comfort, having advantages over all-plastic containers for similar uses. A new plastic-lined half-gallon milk container was added in 1960 to the flat top milk containers pioneered by the company and sold for many years, *the* most popular container of its kind. Four new Dixie Cup plant expansions were completed last year.

That American Can looks also to other fields of containers is shown in its rapidly expanding plastic tube and bottle division, and speaking of bottles, the company will complete this Spring the second plant of the American-Wheaton Glass Corporation in which the old and experienced Wheaton Glass Co. has a minority interest.

As a stockholder of American Can, you have more than 100,000 partners in a business whose sales exceed $1 billion and which has about 100 plants and 70 sales offices in the U. S. and other countries in this hemisphere. These high quality shares are presently available at a price offering the extraordinary yield of about 5%. Whereas many so-called growth and glamor stocks of often unproven companies sell at very high multiples (500-1,000%) of sales per share, American Can shows about $70 sales per share, thus sells at the modest ratio of only about 57%!

A 21.4% interest is held in Metal & Thermit Corp. which operates detinning plants. Twice in the last 11 years, American Can's earnings exceeded $3 per share. With all the astounding growth factors enumerated above and completion in 1960 of a vast expansion program, there is every reason to expect the company's earnings to show steady improvement over the modest $2.06 earnings per share last year, down from $2.42 in 1959. Dividends were paid uninterruptedly since 1923. The $2 annual dividend offers a most generous yield, easing the burden of waiting until the market realizes the tremendous attraction of these blue-chip shares by evaluating this company for what it is —a great growth company. The stock is listed on the New York Stock Exchange.

This Week's Forum Participants and Their Selections

American Can Company — W. H. Oppenheimer, Partner, Oppenheimer, Neu & Co., New York City. (Page 2)

Union Sugar Company — Morris Peckman, Manager, Investment Department, Kalb, Voorhis & Co., New York City. (Page 2)

MORRIS PECKMAN
Manager, Investment Department, Kalb, Voorhis & Co., New York City
Members New York Stock Exchange

Union Sugar Company

This stock has the rare quality of being both a defensive and aggressive situation. It is defensive because of its large stake in Consolidated Foods. The food group has not shown the same cyclical tendencies as companies whose prospects are more vulnerable to business conditions. It is aggressive because the potential realization from its land holdings is far in excess of the price of the stock.


Morris Peckman

Union Sugar is a holding company. Other than the fact that prior to 1951, it was an operating sugar company, its name bears no relationship to its present business.

Its principal assets consist of: (1) 312,536 shares of Consolidated Foods Corp. common stock and (2) approximately 11,700 acres of valuable California land.

Following is a comparison between the book value and estimated worth of the company's assets:

Land (cost $1.8 million)	*$10,000,000
312,536 shs. Consolidated Foods (cost $4.3 million)	12,814 000
Net working capital	141,000
Estimated market value	$22,955.000
Common shares outstanding	885.385
Estimated market value per sh.	$25.93

*Estimated value as agricultural land.

At Union's present market price of $17 it is selling at a 34% discount from estimated asset value. The market value of its Consolidated Food's investment alone is worth approximately $14.50 per share of Union Sugar or to state it another way, each share of Union is backed by .35 shares of Consolidated. The remaining $2½ of market price, therefore, places a negligible value on the company's land—not only in relation to its current market value but also on the estimate of its future worth.

Union's land is in the vicinity of Vandenberg Air Force Base and the Navy's Point Arguello Pacific missile range. During 1958, the company granted an option to Snow Construction Company to purchase up to 2,225 acres of its land at prices ranging from $1,500 to $5,000 an acre. The project envisaged was a large one and a vivid indication of the growing need for housing and community facilities in the area. Due to a default on the option, the project did not materialize and, as yet, there has been no development of these lands. Its inevitability, however, is almost a certainty. In the meantime, the company derives revenue from the agricultural output of the land, which combined with its dividends from

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(This is under no circumstances to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)

Tax Loopholes and Tax Logic

By Dr. John C. Clendenin, *Professor of Finance, Graduate School of Business Administration, Los Angeles, Calif.*

Some startlingly major inconsistencies in our corporate tax laws are revealed by Professor Clendenin who does the usual by employing normal empirical methods to see just what our taxes do. For no rhyme or reason, tax burdens are found to be grossly unequal among the representative corporations and industries measured. Facts are unearthed to establish the conclusion that in the last analysis it is the consumer who pays the corporation tax. Paper lists the author's tax-study conclusions and tables supporting them.

Recent discussions of percentage depletion and other alleged "loopholes" in the Federal corporate income tax structure all seem to assume that a rigorously collected tax, even though heavy, would be wise and just. Apparently this tax has been with us so long that it has gained acceptance on the vague basis that an old tax must be a good tax and that a good tax should be uniformly applied.

John C. Clendenin

The fact is that the very heavy present-day corporate income tax is seldom examined to determine whether it constitutes a sound and suitable method of raising money. Academic people sometimes raise the question — in fact, some of them did in their contributions to the House Ways and Means Committee's *Tax Revision Compendium* last year—but practical men usually concentrate their attention on detailed phases of the law, such as accelerated depreciation, carry-back and carry-forward, deductibility of research expenditures, etc., and allow the basic assumption that the tax is bound to go unquestioned. This is unfortunate. It may be quixotic to criticize a tax which seems both fiscally undispensable and politically impregnable, but at least the public should know the tax for what it is and not regard it as a well-devised instrument of public finance. Actually, it is an inequitable, illogical, and unplanned money-raising device, and nothing more.

The modern version of the Federal corporate income tax began back in the 1920's at an average rate of about 12% on net income. At that time the tax was not heavy enough to affect any industry's earnings or selling prices drastically. The whole burden could be borne by the taxpaying company if necessary, and if it were shifted to the customers by price adjustments, the amount would not exceed 1 or 2% on selling prices. Now, however, the tax amounts to 52% of a corporation's pretax net income and often absorbs as much as 15% of gross sales revenue. State and foreign income taxes increase these percentages moderately. In many cases the burden must either stifle the industry or add materially to the prices exacted from customers. In either instance it would seem reasonable, to know what industries are being stifled and what consumers are being mulcted, before concluding that this is a wise and harmless tax.

Since oil company taxation is the focal point of the present political furor, it might also be appropriate to compare oil company taxes with those paid by other industries. Do the oil companies actually pay less than their fair share of income taxes? Do income taxes bear equitably on other industries and their customers? Who finally bears the burden of this $22 billion Federal income tax bill — the companies, their customers, or their employees? Would a rigorously levied 52% corporate income tax raise money from those best able to pay and burden the industries and products which can best bear the burden? These questions may not be capable of easy and perfect answers, but at least they ought to be considered, not just taken for granted.

Industry Burdens Unequal

As a first approach to answering the questions, Table I was compiled from the annual reports of 21 large corporations. Eight of these are oil companies, four predominantly domestic and four with important foreign interests. The thirteen other corporations in the table operate in diverse industries, but all are large integrated concerns and all serve the present purpose because they provide detailed tax figures in their 1959 annual reports. The figures in the table are not perfect, because they represent only one year and because they do not include retailers' and suppliers' taxes which also bear on each industry's costs, but they probably illustrate the situation reasonably well.

The first column in the table indicates clearly that the oil companies have been paying a smaller percentage of pretax earnings in income taxes than the companies in other industries. The median oil company payment was 25.3%; the median among the non-oil companies was 48.8% and the lowest was 37.7%. This substantial advantage to the oil industry is almost certainly the result of the percentage depletion and intangible drilling cost provisions in the tax laws, and would seem to support the allegation that our income tax levy has important loopholes.

The second column in the table shows the same income tax payments as percentages of sales revenues in order to determine how heavily the tax may bear on costs and selling prices. Here the oil companies again have an advan-

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OBSERVATIONS...

BY A. WILFRED MAY

DYNAMIC DEVELOPMENTS IN FUNDS—HERE AND ABROAD

The mutual fund industry is apparently given a lot to worry about by a new court decision in another *derivative action* (commonly referred to as "strike suit"). One of some 60 such suits concerned with the activities and relationships of about 30 Funds with their management companies, a stockholders' civil action against the directors of Dividend Shares, Inc., and Calvin Bullock, Ltd. has elicited a surprisingly broad and drastic opinion by Federal Judge Herlands in the Southern District of New York. (The Court's rulings and accompanying conclusions are in the form of a decision on a preliminary motion; which, subject to the approval of the Court of Appeals, will be vigorously appealed by the defendants.)

Dividend Shares, organized as a diversified open-end fund in 1932, now has about 100,000 shareholders and assets of some $260 million. Its "outside" directors include a former Secretary of the Army, a chairman of the President's Council of Economic Advisers, a university president, and a former Chief of Staff, U. S. Army.

The case is similar to the action brought in St. Louis by Brouk against Management Funds charging the director with "gross abuse of trust." In that earlier case the Circuit Court of Appeals held that only the Securities and Exchange Commission, and not the stockholders, could sue. Judge Herlands, on the contrary, has now decided that a stockholder *can* bring such an action.

The Strike Suit Goes Respectable

Judge Herlands now affirmatively commends use of the "strike suit"—to wit: "The possibility of multitudinous strike suits under the Act and the consequent expansion of Federal jurisdiction is a spectre conjured up by the defendants. . . . If the fear of personal liability to the company or stockholders for gross misconduct or gross abuse of trust induces potential wrongdoers to walk in the paths of rectitude, the very availability of a private remedy, will have served a desirable enforcement function."

By Way of Digression

Along with his decision, Judge Herlands enters into other unusually long and wide digressions covering his personal conclusions about general industry practice and regulatory history.

Thus the Court emphasizes its conviction that the Investment Companies Act of 1940 was passed because of the inadequacies in the "New Securities" Act of 1933 and the Securities Exchange Act of 1934, regarding abuses that had since developed in the area of investment companies.

Support for an Industry-Government Compromise

Judge Herlands in effect endorses a *compromise* worked out in the passage of the Investment Companies Act, between the SEC's original proposals and those offered by the industry. The Judge vigorously affirms that the industry was not opposed to regulation. "On the contrary," he states, "the reputation of the industry had been so seriously damaged by the miasma of abuses disclosed by the Commission and the ensuing public criticism, that the industry—in order to rehabilitate the investment company as a public investment medium—actively supported the legislation."

The Court further interprets key testimony given at the hearings preceding the enactment of the 1940 Act by David Schenker, former associate counsel of the Pecora Investigation and the first Director of the SEC's Division of Trading & Exchange, as follows:

"Mr. Schenker's statement significantly disclosed (1) that the objective [of the reform legislation] was to impose fiduciary obligations upon Management; (2) that the criterion of a trustee-obligation was considered as possibly 'to strict' or 'too onerous,' and therefore 'the broader approach' was taken of prescribing the standard as 'gross misconduct or gross abuse of trust'; and (3) that a person guilty of 'gross misconduct or gross abuse of trust . . . was guilty of a crime.' "

The Herlands opinion goes on to conclude that the pricing of investment companies' own securities at a discount (personally referring to the closed-end and but a few open-end organizations) and the stalled growth in their assets at that time; had "reflected the public's lack of confidence" in unregulated investment companies. To the extent that this was true (its significance actually limited by the existence of market "discounts" after as well as before the reform legislation), the reform 1940 Act, together with the industry-governmental cooperative code adopted Statement of Policy of 1950, did no doubt contribute importantly to the subsequent enormous growth of the Funds in the size of both their assets and public confidence.

Judicial "Chastisement"

The present Court now expresses, quite sensationally, the opinion that "the judicial implementation of the provisions for truly independent directors and for remedies against misconduct and gross abuse of trust are critically necessary to prevent a recurrence of the evils and malpractices that victimized the investing public prior to the passage of the Act."

Long-Term Implications

The new judicial philosophy, as interpreted by disinterested legal authorities, warrants the Fund industry's grave concern. If charges of excessive commission and management fees, when proved, are to be held a "gross abuse of trust," the SEC will have the right to go to court to have the Fund's *officers and directors removed from office.*

In any event, and wholly apart from the legal minutiae, the validation of such philosophy must have the practical effect of deterring future directorial participation by the desired types of "outside" individuals. "Reformers" would no doubt interpret this eventuality as a blessing; in eliminating so-called corporate "window dressing via dummy directors."

* * *

Britain's Smoldering Fire

Some interesting angles of the investment companies' status in the U. K. are combined with a citation of points made in our column (March 2), "THE FUNDS UNDER FIRE," in an article in the *Investors Chronicle* of London (issue of March 24, 1961). Our article had noted implications of the Fund-Management processes and problems here; including the rash of pending law suits, a summary of the management charges, and the surprising rising course of the market prices of those management units which have gone public.

The doings in the U. K. gain particular interest now as a result of Professor Louis Loss' visit in London. A former high SEC official, and now heading President Kennedy's Task Force in Securities Regulation, Mr. Loss' objectives abroad include testifying before Britain's Jenkins Committee on Corporate Law Reform, and gathering relevant data on the foreign scene.

No Market Trading

The London article reveals that in the U. K. no management concerns carry market quotation. The fee basis of their Unit trust management is strictly controlled by Board of Trade regulation. Over the life of a 20-year trust, British managers are permitted to charge fees totaling not more than 13¼% of the asset value. Normally, up to 5% of this is charged as an initial fee, and the management company then receives a service charge of up to one-half per cent of the fund's value yearly. Either way the total charge over the 20 years may not exceed a 13¼% maximum. Some management companies charge less than the permitted maximum.

The article concludes that our British cousins will watch the U. S. development with keen interest. There does not appear to be provision under English law, it continues, for the type of shareholders' actions now pending in the U. S. However, if a strong tendency towards reduced charges does appear here, the chances of proposals for *upward* revision on the other side of the Atlantic "would appear slight."

Higher Charges Urged

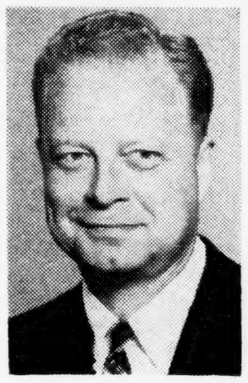
Mr. Edward du Cann, M. P., the managing director of Unicorn Trust, is cited in making a case for higher charges, based on the expected result of enabling the management companies to spend more on a needed step-up in promoting their units.

Harold Wincott, a dean of British financial journalism, has been arguing that any increase in charges which the Board of Trade may permit, should be applied by the unit trusts to carrying on "a steady programme of educating the investor into the advantages of tucking his savings away each week in, week out, month in, month out; regardless of whether markets are high or low, or whether trade is slack or booming."

Surely a constructive proposal—with *education* of the investor so sorely needed—for both sides of the Atlantic!

Blyth Appoints Walbert in Chicago

CHICAGO, Ill.—Blyth & Co., Inc. has announced that Richard B. Walbert, Vice-President, is to be in charge of its operations in the Middle West. His headquarters will continue to be Chicago, at 135 South La Salle Street.



Richard B. Walbert

Mr. Walbert succeeds Hiram H. Belding, Jr., who will remain in an advisory capacity. Mr. Belding joined Blyth & Co., Inc. in 1928 and has been a Vice-President since 1942.

Mr. Walbert, active in Chicago investment banking circles for the last 25 years, joined Blyth & Co., Inc. eight years ago and has been a Vice-President since 1957. He previously was associated with Lehman Brothers in Chicago.

Currently, Mr. Walbert is Chairman of District 8 of the National Association of Securities Dealers, Vice-Chairman of the Central States Group of the Investment Bankers Association of America, and a director of the Executives Club of Chicago.

New A. C. Allyn Branch

PROVIDENCE, R. I.—A. C. Allyn & Co. has opened a branch office at 111 Westminster Street under the management of William F. Goode.

Hawaii and Its Utilities

By Dr. Ira U. Cobleigh, *Enterprise Economist*

Highlighting the attractions of the Hawaiian economy, with particular reference to its two outstanding public service companies.

When Captain Cook dropped anchor off the island of Oahu in 1778 he was principally attracted by the pulchritudinous Polynesian natives. He spent little time reflecting on the fortunes to be made there, a century and a half later, in sugar, pineapples, tourists, and real estate. Nor did he foresee the great strategic importance of the Hawaiian Isles in a bellicose world of atomic submarines and Muscovite missiles. The balmy palmy climate, the cooled lavas, lovely lassies, and luscious luaus were the features; the romance of riches was to come much later.

Even as a Territory of the United States, Hawaii was slow to catch the tempo of 20th century America. But when the unique advantages of Hawaii were properly understood and statehood status was first assured and then achieved, our Fiftieth State became a baby Texas in its zeal for growth, progress and profits. Today, mile for mile Hawaii is as bustling and as beaverish in its economic drive as any state in the Union.

Hawaii is blessed with a lot in its favor. There's the climate—286 clear days a year, never too hot nor too cold. Average summer temperature is 78 degrees and winter, 72 degrees, making this soft semi-tropical clime Edenic and alluring the year 'round. As a result 300,000 people will visit Hawaii this year and spend around $150 million there. The resident population now totals over 625,000 on the six islands.

To get there you have a choice of 14 steamship lines or 11 air lines. Honolulu is 2,100 miles southwest of San Francisco and boasts the eighth largest airport in the U. S. Jet service which now brings Honolulu within five hours of the mainland is a new factor bound to increase tourism. San Francisco is closer by jet to Diamond Head than New York is to Richmond by train.

Probably the most important element in the Hawaiian economy is the $300 million a year spent by Uncle Sam in payrolls and purchase of goods and services for about 75,000 in military and Defense Department personnel stationed there. Next in annual gross revenues would come tourism, followed by sugar export (about $132 million), and the pineapple crop (world's largest) worth $130 million annually.

Documenting the exciting growth in Hawaii is a population increase of 50% since 1940, a 200% increase of life insurance in force since 1950; and a 64% gain in bank deposits since 1955. Construction has advanced at an even more rapid rate—from $64 million in 1954 to over $230 million in 1960, almost 300%.

Hawaiian land area is quite minute—only 6,435 square miles in all. Much of this is of steep terrain, unsuitable for building, and 42% of all land is owned by the government. There's quite a scramble for available private land, for the most part closely held among a few wealthy families. Consequently many of the new structures are not on owned fee, but built on land leased for a long term of years. Choice modern apartments command Miami Beach priced rentals.

So, today, far from being an out of the way idyllic island, Hawaii, or at least the island of Oahu, has lost much its languid leisure and is a surging, seething metropolitan area magnetically attracting people, and capital investment. Some view this development as destroying the casual mid-Pacific surf soothed relaxation for which the islands were famous; others opine that Hawaii is at last fulfilling its "rendezvous with destiny."

However that may be, Hawaii is busy and booming, affording interesting and rewarding opportunities for investment. In addition to the many attractive tourist hotels, extensive plantations, bustling shipping piers, there are over 550 manufacturing companies on the island. There are major industrial holding companies and impressive financial institutions; and two rapidly growing and well managed public utilities we want particularly to talk about.

Hawaiian Electric Co. Ltd.

This is an operating utility providing electric power for commercial, industrial, domestic and plantation use on the island of Oahu, serving an estimated population of over 475,000. There is no competing power company, although there are certain other generating facilities which provide electricity for a few plantations and some government installations.

Hawaiian Electric generates its power from three oil burning steam stations. Rates are under jurisdiction of the State Public Utilities Commission. The regulatory climate has been quite satisfactory with rate-base valuations realistic and returns on investment allowed at such levels as to permit and to encourage rapid expansion of generating, transmitting and distributing facilities to meet urgent demands for additional service.

Illustrative of corporate growth is the rise of utility revenues from $18.3 million in 1955 to $27¼ million for 1959. In the same five year period net income increased from $2,642,000 to $3,837,000.

In addition to its power business, Hawaiian Electric owns outright Honolulu Electrical Products Co. Ltd. which sells electric appliances in a big way, grossing well over $12 million annually. It is a major distributor of Westinghouse products, but handles items of some 250 other manufacturers as well. Honolulu Electrical Products delivers around $200,000 a year in net earnings to the parent company, and of course helps build up electric load by placing a myriad of new appliances in customer hands each year.

Capitalization of the company is well balanced—$45 million in bonds, soon to be supplemented by a new offering of $12 million; $15,281,000 in preferred and $20,963,260 in common represented by 1,048,163 shares outstanding. Common pays a dividend of $2.50 out of net of above $3.50 per share. Amount outstanding has been increased by 278,163 shares in the past five years through stockholder purchase under attractive subscription privileges offered them.

The character of the Hawaiian economy and the steep rise in the demand for electric service have made Hawaiian Electric common a desirable and sought after utility equity. At its present price of 78 the stock appears to be an issue of merit and of promise.

Hawaiian Telephone Company

While we think of American Tel. and Tel. as a massive monopoly in communications actually there are over 3,600 independent telephone companies in the U. S. Ranking among the largest of these independents (and interconnected with A.T. & T. for service to the mainland) is Hawaiian Telephone Company. This busy enterprise supplies telephone service to the six Hawaiian Islands serving over 600,000 people with some 200,000 phones—all dials.

Growth rate has been remarkable with total operating revenues rising in the 1950 decade from $8,143,000 in 1950, to $21,565,000 in 1959. Net rose even more rapidly—from $813,000 in 1950 to $2,604,000 for 1959.

There are presently about 2,110,000 common shares of Hawaiian Telephone outstanding, paying a $1 dividend (and earning above $1.15) selilng at 34½. The stock is about to be split 2-for-1. The attraction in this equity is again the growth rate, plus the fact that on eight occasions since 1940 shareholders have been given opportunities to increase their holdings by stock purchase from the company, at prices substantially below the prevailing market prices at the time. (Another rights offering is reportedly scheduled to be made later this year.) There are now over 10,000 stockholders and it seems quite fashionable, for those who have just visited Hawaii, to get enthusiastic about either this stock or the electric company shares outlined earlier.

While both the companies cited for discussion today have been in business for a long time, mainland investors never paid much attention to their common stocks till statehood gave them added stature. Now, both of these issues have become popular with buyers of quality utility shares; and although they (the stocks) sell on rather high price/earnings ratios there has been a persistent demand for each, and at rising prices.

Only last week we got a phone call from a lucky friend basking on Hawaiian sands. He was calling from Hilo, and you could hear the sound of surf above the clink of ice in his Collins glass. That was how this article got started—thinking about the big telephone bills he, and thousands of tourists like him, run up, by phoning their friends slaving away on the mainland, just to make them jealous!

Goldman Securities Opens

Goldman Securities Corp. is engaging in a securities business from offices at 225 West 34th St., New York City. Officers are Sol Goldman, President; Blanch Goldman, Vice-President and Jacqueline S. Goldman, Secretary-Treasurer.

First Secs. of Durham to Be NYSE Mem. Firm

DURHAM, N. C. — Charles F. Jones, President and Treasurer of the First Securities Corporation, 11 Corcoran Street, on April 13 will acquire a membership in the New York Stock Exchange, and the firm will become an Exchange member firm.

Other officers are Harvey B. Jones, Vice-President and Assistant Secretary; Margaret Bullock, Secretary and Assistant Treasurer; William D. Croom, Robert King, Jr., Thomas S. White, Jr., Harry M. Boyce, Perry A. Sloan, and Joseph L. White, Vice-Presidents; James L. Houston and Joseph H. Thigpen, Assistant Vice-Presidents; and J. William Bonner, Assistant Secretary and Assistant Treasurer.

NASD Dist. 12 Names Chairman

District Committee No. 12 of the National Association of Securities Dealers Inc. has elected Craig Severance, F. Eberstadt & Co., New York City, Chairman.

District Committee No. 12 includes Connecticut, New York State, and part of New Jersey.

TAX-EXEMPT BOND MARKET

By DONALD D. MACKEY

While it appears that we have touched the bottom of the business cycle, we have in no true sense of the notion bounced off it. While the better business trend should be upward, the real expression of recovery may still be even months away. Caution, as a popular national attribute, is slow to become general and it is naturally slow to be shaken off. The Federal Government's financial antidotes that have thus far been prescribed, although much in dollar amount, are as a mouse's dosage in the elephantine hide of our massive economy.

The bond market, constantly under the surveillance of the Federal authorities, continues to be steady and even firm in spots, although careful aspiration and inspiration is almost daily required to render it shapely. The bond market is now rarely alluded to as a whole, because of the infinite variety of factors that stimulate its different phases, not to mention the increasing complexity of many individual issues.

Lapses From Realism

Thus we find ourselves very wisely pointing from one king sized issue to the next, judging each specifically rather than adhering to a continuity that was formerly followed as a definite bond market trend. However, after successfully floating the large sized tax-exempt bond packages (Massachusetts, Kentucky, California and others) we continue in the interim periods by overcompeting for and generally overpricing the smaller volume new issues.

This sort of proceeding has helped maintain a top heavy street float and an unwelcome dealer inventory situation (*Blue List* state and municipal bond total $438,902,000 on April 6 vs. $408,930,000 on March 30) as well as requiring deep price cutting (25 basis points) in many instances in order to move a meaningful volume. Our business appears to be dominated by traders and experts rather than by people fortified with wide sale perspective as well.

Higher Rates Indicated

With the Federal Government's return to sizable deficit financing, it seems but logical that some upward pressure on bond rates will gradually be experienced. Government bond and budget experts estimate that there may be a $10 billion minimum of cash financing in the second half of 1961. With a large buildup of new issues expected in both the corporate and tax-exempt bond categories, any general downtrend in interest rates either long or short term may well be forgotten for most of 1961.

Even with guidance from the Federal Reserve toward a balancing policy of credit ease, the bond market seems likely to be under steady pressure. With the frequent advent of larger sized new issues, both corporate and tax-exempt, individually wide fluctuations may frequently occur. The California issue is an example:

The buyers will quite naturally play for these situations to the detriment of a general market trend.

Yield Index Steady

The *Commercial and Financial Chronicle's* high grade state and municipal bond (20-year average) Index is about unchanged for the week. The yield is fractionally increased from 3.311% a week ago to 3.319% today. From appearances the market has been about unchanged for the past few weeks and dealer inventories have been but little reduced if at all.

It should be borne in mind, however, that the volume of business transacted has been but little reflected in the averages and has not generally shown in the *Blue List* or the sheets. Including the $190,000,000 California issue, there will have been close to $400,000,000 of large new issues well placed with investors within a few weeks. The fact remains, however, that the *Blue List* state and municipal figure points up an unhealthy inventory situation despite the fine dealer performances in certain feature financing.

California Seen Successful

The week's largest issue, $190,000,000 State of California (1962-1986) bonds sold on Wed., April 5. This issue was set up for public bidding but because of its large volume only one bid was submitted. The consolidated group was managed jointly by the Bank of America N. T. & S. A. and the Bankers Trust Company and included a nationwide list of investment bankers and dealers. The issue was scaled to yield from 1.70% in 1962 to 3.90% in 1981. The last five maturities (1982-1986) were priced at 100½ for 4s.

It is felt that because of the realistic pricing of the bonds the issue will likely be oversubscribed.

Other Awards

During the past week several smaller issues of interest came to market. On Thursday, March 30, $3,150,000 Mount Pleasant and North Castle, New York, Central School District No. 1 (1962-1990) bonds were awarded to the syndicate managed by Halsey, Stuart, & Company, Inc. The bonds were scaled to yield from 1.70% to 3.70%. At present less than half the bonds remain in account.

Also last Thursday, $2,000,000 State of Louisiana, Greater Baton Rouge Port Commission (1962-1978) bonds were won by the Blyth & Company group. The proceeds from the loan will finance further port developments. The issue was priced to yield from 1.70% to 3.70%. Investor reception was good and only about 25% of the bonds remain in account.

On Monday of this week $2,000,000 Cook County, Illinois Forest Preserve District (1962-1972) bonds came to market and were awarded to the syndicate consisting of The First National City Bank of New York, Chemical Bank New York Trust Co. and C. J. Devine & Co. The bonds were reoffered to yield from 1.60% to 3.00%. Initial investor reception has been slow in generating and the present balance is reported as $1,630,000.

On Tuesday the Town of Largo (Pinellas County), Florida came to market with $2,225,000 water and sewer revenue certificates. The certificates are payable from the revenues of the water and sewer system. In addition the pledge of utilities service taxes and cigarette taxes levied in the town are pledged behind the bonds.

In highly competitive bidding, the bonds were won by the syndicate managed by Ira Haupt & Co. and including Barcus, Kindred & Co., Dominick & Dominick, Stubbs, Watkins and Lombardo, and others. The serial bonds (1965-1985) were priced to yield from 3.20% to 4.30%. The $1,430,000 term loan due in 2000 priced to yield 4.40% with a 4⅜% coupon was an immediate sell-out.

Massachusetts Turnpike Issue Imminent

The sealed bid calendar is relatively light for the week ahead; the largest issue being $30,250,000 City of Chicago, Illinois bonds up for sale on April 12. In the negotiated issue category the $175,000,000 Massachusetts Turnpike Authority Extension issue appears ready for flotation during the week of April 10. This 40-year term issue is expected to carry a 4¾% coupon and to be offered to the public at 100.

The underwriting investment banking group is headed by F. S. Moseley & Co., The First Boston Corp., Blyth & Co., Inc., and Tripp & Co., Inc. The issue would raise funds for the construction of an 11.7 mile super highway from the western end of the existing turnpike at Weston, Massachusetts to a point in the Back Bay area of Boston. This is the only large revenue type issue close to market. However, the month of April is replete with sizable sealed bid type offerings.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.80%	3.70%
Connecticut (State)	3¾%	1980-1982	3.35%	3.20%
New Jersey Highway Auth., Gtd.	3%	1978-1980	3.25%	3.15%
New York (State)	3%	1978-1979	3.30%	3.15%
Pennsylvania (State)	3⅜%	1974-1975	3.10%	3.00%
Vermont (State)	3⅛%	1978-1979	3.15%	3.00%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.40%	3.25%
Los Angeles, Calif.	3¾%	1978-1980	3.75%	3.60%
Baltimore, Md.	3¼%	1980	3.40%	3.30%
Cincinnati, Ohio	3½%	1980	3.40%	3.30%
New Orleans, La.	3¼%	1979	3.70%	3.55%
Chicago, Ill.	3¼%	1977	3.70%	3.50%
New York City, N. Y.	3%	1980	3.50%	3.45%

April 5, 1961 Index=3.319%

Larger Issues Scheduled For Sale

In the following tabulations we list the bond issues of $1,000,000 or more for which specific sale dates have been set.

April 6 (Thursday)			
Dallas County Road Dist., No. 1, Texas	2,000,000	1962-1981	10:00 a.m.
Dodge County, Wisconsin	1,100,000	1964-1980	10:00 a.m.
Waco Independent Sch. Dist., Tex.	1,000,000	1963-1974	1:00 p.m.
West Milford Township School District, New Jersey	1,550,000	1963-1982	8:00 p.m.
April 7 (Friday)			
Huntington, West Virginia	2,000,000	1962-1977	1:00 p.m.
April 8 (Saturday)			
University of Arkansas, Arkansas	1,672,000	1963-2000	11:00 a.m.
April 10 (Monday)			
East Orange, New Jersey	3,950,000	1962-1981	8:00 p.m.
Foothill Junior College District, California	3,000,000	1962-1984	10:30 a.m.
Shaker Heights, Ohio	1,000,000	1962-1981	12:30 p.m.
Sitka Ind. School District, Alaska	1,000,000	1963-1981	8:00 p.m.
April 11 (Tuesday)			
California Toll Bridge Authority, California	5,000,000	2000	11:00 a.m.
Center Line, Michigan	1,075,000	1963-1985	8:00 p.m.
Cleveland, Ohio	14,520,000	1962-1981	11:00 a.m.
East Hartford, Connecticut	3,500,000	1962-1981	Noon
Erie, Penn.	2,150,000	1962-1991	11:00 a.m.
Lee County, North Carolina	1,000,000	1962-1986	11:00 a.m.
Los Angeles Flood Control Dist., California	15,000,000	1962-1989	9:00 a.m.
Massachusetts Turnpike Authority	175,000,000	--------	--------
(Negotiated offering to be handled by F. S. Moseley & Co., The First Boston Corporation, Blyth & Co., Inc., and Tripp & Co., Inc.)			
Newport News, Virginia	3,200,000	1962-1981	2:00 p.m.
North Tonawanda City School District, New York	4,680,000	1962-1990	3:00 p.m.
Richmond, Indiana	1,575,000	1963-1983	1:00 p.m.
Shreveport, La.	5,400,000	1961-1981	10:00 a.m.
Univ. System Bldg. Authority, Ga.	13,000,000	1962-1986	Noon
April 12 (Wednesday)			
Anaheim, California	3,185,000	1962-1981	10:00 a.m.
Bloomfield Hills S. D. No. 2, Mich.	4,135,000	1963-1990	7:30 p.m.
Chatham Township Sch. Dist., New Jersey	1,620,000	1962-1980	8:00 p.m.
Chicago, Illinois	30,250,000	1963-1979	10:00 a.m.
Eau Claire, Wisconsin	4,750,000	1962-1981	9:00 a.m.
Findlay City Sch. Dist., Ohio	4,950,000	1962-1981	Noon
Princess Anne County, Virginia	3,000,000	1963-1986	11:00 a.m.
Sullivan County, Tennessee	1,108,000	1962-1965	1:00 p.m.
West Virginia (State of)	1,000,000	1962-1986	1:00 p.m.
April 13 (Thursday)			
Babylon Union Free School Dist. No 4, New York	1,736,000	1962-1990	2:00 p.m.
Boston Metropolitan District, Mass.	3,318,000	1971-1991	11:00 a.m.
Columbus, Georgia	1,000,000	1962-1991	11:00 a.m.
Cook County Forest Preserve District, Illinois	2,000,000	1962-1973	10:30 a.m.
Harrisburg Sch. Bldg. Auth., Pa.	1,500,000	1962-1990	1:00 p.m.
Marin Municipal Water Dist., Calif.	4,700,000	1965-1991	11:00 a.m.
Paterson, New Jersey	1,857,000	1962-1980	11:00 a.m.
Rockville Centre, New York	1,208,000	1961-1979	11:00 a.m.
Western Washington College of Education, Washington	1,950,000	1962-1999	7:30 p.m.
April 17 (Monday)			
Dallas, Texas	8,000,000	1961-1991	1:45 p.m.
Rochester, Minnesota	1,775,000	1962-1977	7:30 p.m.
Sayreville School District, N. J.	3,425,000	1961-1987	7:30 p.m.
April 18 (Tuesday)			
Logansport, Indiana	3,400,000	1964-1981	1:00 p.m.
New York State Housing Auth.	50,000,000	--------	--------
(Negotiated offering to be handled by a syndicate headed by Phelps, Fenn & Co., Inc.)			
Phoenix, Arizona	3,400,000	1962-1980	10:00 a.m.
Rocky Mount, North Carolina	1,000,000	1962-1987	11:00 a.m.
April 19 (Wednesday)			
Tillamook County, Oregon	4,400,000	1965-2000	10:00 a.m.
April 20 (Thursday)			
Elkhart South Side School Building Corporation, Indiana	2,140,000	1964-1991	2:00 p.m.
Estero Mun. Imp. District, Calif.	2,300,000	--------	--------
Oklahoma City, Okla.	8,700,000	1961-1988	2:00 p.m.
Owosso, Michigan	3,870,000	1963-1986	7:30 p.m.
Public Housing Administration, Washington, D. C.	49,955,000	--------	Noon
Wilton, Connecticut	2,371,000	1963-1981	3:00 p.m.
April 25 (Tuesday)			
Alvin School Districts, Texas	2,250,000	--------	8:00 p.m.
Oregon (State of)	30,000,000	1970-1978	9:00 a.m.
Oregon State Board of Higher Education, Oregon	7,300,000	1964-1991	9:00 a.m.
April 26 (Wednesday)			
Edison Township, New Jersey	3,050,000	1963-1984	8:00 p.m.
Michigan	25,000,000	--------	--------
Tennessee (State of)	15,600,000	1963-1981	--------
April 27 (Thursday)			
Daytona Beach, Fla.	2,200,000	--------	--------
Minneapolis, Minnesota	4,510,000	1962-1980	10:00 a.m.
May 1 (Monday)			
Pima County High School District No. 1, Arizona	4,436,000	1962-1981	11:00 a.m.
May 2 (Tuesday)			
Los Angeles Sch. Dist., Calif.	30,000,000	1962-1986	9:00 a.m.
May 4 (Thursday)			
Port of Seattle, Washington	7,500,000	1963-1971	10:00 a.m.

The State of TRADE and INDUSTRY

Steel Production
Electric Output
Carloadings
Retail Trade
Food Price Index
Auto Production
Business Failures
Commodity Price Index

The First National City Bank's April Monthly Letter of Business and Economic Conditions reported in part as follows:

"The business observers who have been looking for the recession to bottom out around this time have found much in recent news to encourage them. Arrival of spring weather brought out customers at department stores and auto dealers, and ordering by business and government has also picked up. Business investment plans reported in March indicate that the decline in plant and equipment expenditures may be halted and even reversed during the second half of this year. Industrial production and personal income nearly held their own in February, while housing starts rose for a second month. Employment increased slightly though unemployment held around 6.8% of the labor force.

"Some of the improvement in the last few weeks may be a natural reaction after the unusually bad weather early this year, but the revival in buying interest points to something more basic. A key item among the encouraging reports was the increase in new orders received by durable goods manufacturers during February. The gap between shipments and new orders virtually disappeared. Part of the rise in orders was due to stepped-up defense contracts with aircraft and instrument firms, but demand for steel and other basic materials also picked up a little. This encourages the hope that the stringent inventory controls of the past year have done their work, that stocks of purchased materials have been cut to a practical working minimum, and that the way has been cleared for any gain in consumption to set off buying all along the line.

"These are all signs of a probable 'bottoming out.' Solid statistical confirmation must await later figures but the prospect is encouraging. It is still far from clear, of course, whether the economy will turn up promptly as in 1958, or will bump along the bottom for several months as in 1954. It is even less apparent whether the recovery will be vigorous and sustained, or mild and incomplete.

Production Bottoming Out

"Industrial activity in February held at nearly the same level as in January, and preliminary reports indicate little further change in March. The Federal Reserve index of industrial production (seasonally adjusted, 1957=100) stood at 102.0 in February, compared with 102.4 in January. Output of steel, television sets, and some appliances increased, but offsetting declines were registered in autos, furniture, and building materials. Automobile output was still being cut back in March, but an upsurge in sales, trimming dealers' stocks below one million cars, has led to an increase of 18% in the daily production rate scheduled for April. It would appear that weather had much to do with the sales setback in early 1961, and industry officials now talk hopefully of a good spring season.

"Steel mills, among the earliest to feel the impact of inventory cutbacks, have also led the rest of the economy on the upswing. New orders exceeded shipments in both December and January (the latest months published) and order backlogs reportedly have been strengthened further in February and March despite lagging demand from the automobile industry. Steel output, at a 69 million tons a year rate in December, ran in March at the equivalent of 83 million tons.

"If industrial activity touched bottom in February or March, the recession will indeed have been one of the mildest on record. Over all, the dip in gross national product may have been only about 1%. Industrial production decreased 7.1% through February from the business cycle peak reached last May—about as long a decline as in previous postwar recessions, but not so deep. The contraction through February was smaller than the 10.2% decline in 1953-54 and decidedly less sharp than the 14.1% drop in 1957-58. In 1958 the recovery was prompt and sharp. In 1954, on the contrary, there was a long, relatively flat bottom, persisting for over half the year.

"A comparison of movements in the book value of business inventories also shows that the current decline has been more gradual than in the two preceding recessions. The liquidation of manufacturers' stocks tapered off early this year, while retailers were making their first sizable cuts in inventories. In the past, upturns in industrial production and retail sales have usually occurred before inventory reduction has fully run its course. Thus, it would not be unprecedented for inventory liquidation to persist through midyear even though production and sales revive earlier."

Unemployed Reduced

The Labor Department on April 4 reported a decline of 200,000 in the unemployed ranks for the mid-February and mid-March period. Employment rose by 861,000 to a total of 65,516,000 farm and non-farm workers. The decline in unemployment—the first in six months—was smaller than the expected 300,000 forecast.

Bank Clearings Are Up 7.0% Over Corresponding 1960 Week

Bank clearings last week showed an increase compared with a year ago. Preliminary figures compiled by the *Chronicle* based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, April 1, clearings from all cities of the United States from which it was possible to obtain weekly clearings was 7.0% above those of the corresponding week last year. Our preliminary totals stand at $26,969,384,717 against $25,198,336,635 for the same week in 1960. Our comparative summary for the leading money centers is as follows (000's April 1 is as follows (000's omitted):

Wk. End. Apr. 1, '61		1960	%
New York	$15,289,747	$13,505,408	+13.2
Chicago	1,036,840	1,256,237	—17.5
Philadelphia	869,000	1,064,000	—18.3
Boston	822,506	728,919	+12.8

"Iron Age" Expects Steel Orders In April Will Be 5% Better Than March Record

Shipments of steel in April will be at least 5% better than March, *The Iron Age* reports.

The national metalworking weekly points out the industry's slow-and-hard recovery resumed with a brisk flurry of orders in the last days of March and into April. Up to then, April bookings had lagged to where they were no better than a month ago. In fact, some doubts had been expressed of further gains this month.

The pattern of improvement varies by mill and product. Over the last six days, one major mill received orders at a rate equal to 75% of capacity. The mill does not expect this to last. But the flurry reflects the sudden stops and starts that characterize the current market.

As a result of the better orders placed in the past week, *The Iron Age* says this is what can be expected in April:

A gain of 5% in shipments. With fewer shipping days, the daily rate will move up a bit faster.

Mill schedules for some products are filling up, and deliveries are lengthening.

Customers are starting to order three to four weeks ahead for some products. While this is not a long lead time by former standards, it shows a stabilizing of the market and indicates a continued uptrend.

Flat-rolled products are leading the way. Tinplate is strong. Galvanized demand is increasing. Both hot and cold-rolled sheets are picking up. The significant thing here is the sheet market is firming without new support coming from automotive.

In Detroit, some pickups of automotive production schedules are expected. But any real support for the steel market depends on an upsurge of auto sales. At the moment, inventories of unsold cars are still too high to count on a resurgence in demand from Detroit.

Cautious estimates of April production range from 420,000 to 440,000 cars. This compares with a little better than 400,000 made in March.

Looking ahead, automakers will place their last orders for 1961 model steel in June. But little will be ordered for that month. Some orders for 1962 models will start showing up in late June. There is little to go on predicting May orders, which will depend on the rate of spring auto sales.

Automakers will now start placing their orders close-to-the-vest as they start planning for shutdowns. They are now carrying only 20 to 30 days of inventory in typical cases, but will be even more cautious about steel stocks as the model year draws to a close.

Economic Panel Believes Recession Has Run Its Course

The shortest and mildest of the postwar recessions has run its course.

This is the consensus of 51 of the nation's top economists and market researchers in *Steel* magazine's latest survey.

They look for the second quarter to be marked by much talk of "bottoming out," but expect a slow rise in the general economy, leading to a genuine recovery during the balance of 1961.

Three out of four of the consultants peg this quarter as the turning point for gross national product (value of all goods and services).

But they see industrial production at a lagging pace. Only 56% feel the turnabout will come this quarter. All but one of the rest pick the third quarter.

Another *Steel* survey supports the view of a slower production recovery. The metalworking business magazine's quarterly survey of machinery component buyers indicates little intention of heavy buying this quarter. Quick deliveries are keeping stocks on the short side.

Signs of strength are multiplying in the steel industry. Demand is held to a gradual rise only by subnormal auto production.

Output of steel is now at the highest weekly rate since the last week in June, 1960. Production of about 7 million ingot tons in March was the largest of any month since last June and up 12% from February's 6.2 million.

Output this week is expected to equal the 1,620,000 ingot tons that *Steel* estimates were poured last week (week ended April 1).

As construction accelerates seasonally and manufacturers step up their output of durable goods, market analysts expect orders to climb steadily.

The upturn in building activity is already being reflected in demand for galvanized sheets. Deliveries are lengthening. Although some mills can ship from stock, many are quoting three to four weeks' delivery, and some have nothing to offer under six weeks. There is also a moderate pickup in demand for structural shapes

Continued on page 30

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

IT IS UNDERSTOOD THAT THE FIRMS MENTIONED WILL BE PLEASED TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:

Canadian Common Stocks—Comparative figures—Equitable Brokers Limited, 60 Yonge Street, Toronto 1, Ont., Canada.

Discount Houses — Bulletin with particular reference to **Interstate Department Stores** and **Vornado, Inc.**—Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Ga. Also available is a memorandum on **Aerosonic Corp.**

Fertilizer Industry — Survey — Thomson & McKinnon, 2 Broadway, New York 4, N. Y. Also available are reports on **Quaker Oats Co.** and **Borg Warner Corp.**

Japanese Market — Review—Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are reports on **Mitsubishi Electric Manufacturing Co., Ltd.** and **Kojima Iron Works Co., Ltd.**

Japanese Market—Review—Nikko Securities Co., Ltd., 25 Broad St., New York 4, N. Y. Also available are reports on **Taiyo Fisheries, Nippon Suisan, Nichiro Fisheries, Polar Whaling, Hoko Fisheries, Hokoku Suisan Fishing, Nippon Reizo** and **Honda Giken.**

Japanese Stock Market — Survey —Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available are analyses of Yawata Iron & Steel; Fuji Iron & Steel; Hitachi Limited (electronics); Kirin Breweries; Sumitomo Chemical; Toyo Rayon; Toanenryo Oil Company; Sekisui Chemical Co. (plastics); Yokohama Rubber Co.; and Showa Oil Co.

Louisiana & Mississippi—1960 U. S. Census Figures—Scharff & Jones, Inc., 140 Carondelet Street, New Orleans 12, La.

Over-the-Counter Index — Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 23-year period — National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Public Utility Common Stocks—Comparative figures—G. A. Saxton & Co., Inc., 52 Wall Street, New York 5, N. Y.

Railroads — Report on operating performance in 1960 — Shearson, Hammill & Co., 14 Wall Street, New York 5, N. Y.

Textile Stocks—Analysis—**Hemphill, Noyes & Co.**, 15 Broad Street, New York 5, N. Y.

* * *

American Can Company—Discussion—Oppenheimer, Neu & Co., 120 Broadway, New York 5, N. Y. Also available are discussions of **Decca Records, Inc., Ruberoid Co., Siegler Corp.** and **Suburban Propane Gas Corp.**

American Cyanamid Company — Analysis—A. C. Allyn & Co., 122 South La Salle St., Chicago 3, Ill.

American Smelting & Refining — Review—Carl M. Loeb, Rhoades & Co., 42 Wall St., New York 5, N. Y. Also available are reviews of **Fairmont Foods** and **Universal Oil Products.**

American Water Works Co.—Survey—Abraham & Co., 120 Broadway, New York 5, N. Y. Also available are surveys of **Mercantile Stores Company** and **Ruberoid Company.**

Arvin Industries — Memorandum —Pershing & Co., 120 Broadway, New York 5, N. Y.

Aztec Oil & Gas Co.—Memorandum—Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available is a memorandum on **Moore Handley Hardware Co.**

Burlington Industries — Report — Robinson & Co., Inc., 15th & Chestnut Streets, Philadelphia 2, Pa.

Cascade Natural Gas Corporation —Analysis—Hooker & Fay, Inc., 221 Montgomery St., San Francisco 4, Calif.

Champion Spark Plug Co. — Report — Steiner, Rouse & Co., 19 Rector St., New York 6, N. Y.

Chicago Aerial Industries—Analysis—Golkin, Bomback & Co., 67 Broad Street, New York 4, N. Y.

Christiana Securities Co.—Report —Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Colorado Milling & Elevator Co. —Data—W. E. Hutton & Co., 14 Wall St., New York 5, N. Y. Also available are data on **Continental Insurance, Duffy Mott, Ford Motor Co., Franklin Stores Corp.**

Continental Insurance—Review—Hirsch & Co., 25 Broad St., New York 4, N. Y. Also available are reviews of **Georgia Pacific** and **Texas Gulf Producing.**

Crouse Hinds Company—Analysis —H. Hentz & Co., 72 Wall Street, New York 5, N. Y.

Cryogenics Inc. — Analysis—Bull & Low, 45 Wall Street, New York 5, N. Y.

Delta Air Lines — Discussion—John H. Lewis & Co., 63 Wall St., New York 5, N. Y. Also available are data on **National Air Lines.**

Draper Corporation — Study — Schirmer, Atherton & Co., 50 Congress Street, Boston 9, Mass.

Duffy Mott Co. — Memorandum—Schwabacher & Co., 100 Montgomery Street, San Francisco 4, Calif.

Duncan Coffee Company—Analysis — Parker, Ford & Company, Inc., Vaughn Building, Dallas 1, Tex. Also available are analyses of **Commonwealth Life Insurance Company, Lytton Financial** and **Oklahoma Cement Company.**

Electric Bond & Share — Newburger, Loeb & Co., 15 Broad St., New York 5, N. Y.

Ennis Business Forms, Inc.—Analysis—Hill Richards & Co., Inc., 621 South Spring Street, Los Angeles 14, Calif.

Erie Resistor Corporation — Analysis — Freehling, Meyerhoff & Co., 120 South La Salle Street, Chicago 3, Ill.

Federal Grain Limited—Report—Ross, Knowles & Co., Ltd., 25 Adelaide Street, West, Toronto, Ont., Canada.

First National Bank in Dallas—Memorandum—Equitable Securities Corporation, 322 Union Street, Nashville 3, Tenn.

Fruehauf Trailer Company — Review—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y.

General Instrument — Memorandum—Paine, Webber, Jackson & Curtis, 25 Broad St., New York 4, N. Y.

Grumman Aircraft — Bulletin — Purcell & Co., 50 Broadway, New York 4, N. Y.

Gustin Bacon — Memorandum — J. W. Sparks & Co., Western Savings Fund Building, Philadelphia 7, Pa. Also available are memoranda on **Kendall** and **United Shoe Machinery.**

Gyrodyne Company of America—Bulletin — De Witt Conklin Organization, Inc., 120 Broadway, New York 5, N. Y. Also available is a bulletin on **Kay Jewelry Stores Inc.**

Hazeltine Corp. — Report — Colby & Co., Inc., 85 State St., Boston, Mass. Also available are data on **Kelsey Hayes Co.** and **Udylite Corp.**

Hudson's Bay Company—Analysis —Greenshields & Co. (N. Y.) Inc., 64 Wall St., New York 5, N. Y.

Johns Manville — Review — Ira Haupt & Co., 111 Broadway, New York 6, N. Y. Also available is a study of **Olin Mathieson.**

Kennametal Inc. — Report — Reynolds & Co., 120 Broadway, New York 5, N. Y.

Kentucky Utilities—Memorandum —Hincks Bros. & Co., 872 Main St., Bridgeport 3, Conn.

King Seeley Thermos—Report—Goodbody & Co., 2 Broadway, New York 4, N. Y.

L'Aiglon Apparel Inc. — Analysis —Halle & Stieglitz, 52 Wall St., New York 5, N. Y.

La Salle National Bank—Memorandum—Bacon, Whipple & Co., 135 South La Salle St., Chicago 3, Ill.

Lau Blower Co.—Memorandum—Wm. C. Roney & Co., Buhl Bldg., Detroit 26, Mich. Also available are memoranda on **Ryerson & Haynes, Inc.** and **Shatterproof Glass Corp.**

Lipe Rollway — Data — Winslow, Cohu & Stetson, Inc., 26 Broadway, New York 4, N. Y.

Louisiana Gas Service—Review in April "ABC Investment Letter"—Amott, Baker & Co., Inc., 150 Broadway, New York 38, N. Y. Also in the same issue are reviews of **Stone & Webster Inc., Transwestern Pipeline Company.**

McDonnell Aircraft — Memorandum — Ladenburg, Thalmann & Co., 25 Broad St., New York 4, N. Y.

McDonnell Aircraft Corp.—Report —Schweickart & Co., 29 Broadway, New York 6, N. Y.

Mississippi River Fuel—Memorandum—Francis I. du Pont & Co., 1 Wall St., New York 5, N. Y.

Moore Corporation Ltd.—Analysis —James Richardson & Sons Inc., 14 Wall St., New York 5, N. Y.

Newark Electronics — Memorandum—Wm. H. Tegtmeyer & Co., 105 South La Salle Street, Chicago 3, Ill.

Pall Corporation — Analysis — Green, Ellis & Anderson, 61 Broadway, New York 6, N. Y.

Philips Incandescent Lamp Works —Report—The Illinois Company, 231 South La Salle Street, Chicago 4, Ill.

Pittsburgh Metallurgical—Discussion in April Investment Letter—Hayden, Stone & Co., 25 Broad Street, New York 4, N. Y. Also in the same issue are discussions of **McGraw Edison** and **A. G. Spalding.**

Rexall Drug & Chemical—Analysis—Evans & Co., Incorporated, 300 Park Avenue, New York 22, N. Y.

Royal Dutch Salt—Memorandum —Model, Roland & Stone, 120 Broadway, New York 5, N. Y.

St. Luke's Hospital Association (Fargo, N. Dak.)—Circular—B. C. Ziegler and Company, Security Building, West Bend, Wis.

San Diego Gas & Electric Company—Annual Report—Secretary, San Diego Gas & Electric Company, P. O. Box 1831, San Diego 12, Calif.

Singer Manufacturing — Data — Stearns & Co., 80 Pine Street, New York 5, N. Y. Also available in the same bulletin are data on **Barry Wright, Vitramon Inc., Sprayfoil Corp.**

Sonoco Products Company — Analysis—R. S. Dickson & Co., Incorporated, Wachovia Bank Bldg., Charlotte, N. C.

Spencer Shoe—Report—J. R. Williston & Beane, 2 Broadway, New York 4, N. Y.

Standard Oil Company of California—Review—Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif.

Sun Ray Mid Continent Oil Co.—Memorandum—Newburger & Co., 1401 Walnut Street, Philadelphia 2, Pa.

Tappan Company—Analysis—McDonald & Company, Union Commerce Building, Cleveland 14, O.

Telex—Memorandum—Ball, Burge & Kraus, Union Commerce Bldg., Cleveland 14, Ohio.

Transitron — Memorandum—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y.

Union Oil Co. of California—Bulletin—E. F. Hutton & Company, 7616 Girard Avenue, La Jolla, Calif. Also available are memoranda on **Avco Corp., Champlin Oil & Refining Co.** and **Eastman Kodak Co.**

United Aircraft Products—Memorandum — Herzfeld & Stern, 30 Broad Street, New York 4, N. Y.

United Bowling Centers Inc.—Analysis—Hill, Darlington & Grimm, 2 Broadway, New York 4, N. Y. Also available is a bulletin on **Audio Devices, Anken Chemical** and **Brunswick Corp.** and a memorandum on **Vitro.**

U. S. Industries, Inc.—Report—A. M. Kidder & Co., Inc., 1 Wall St., New York 5, N. Y. Also available are reports on **Houdry Process Corp., P. R. Mallory & Co., Republic Natural Gas** and **Massachusetts Indemnity and Life Insurance Co.**

Utilities Industries Corp.—Memorandum—Goldman, Sachs & Co., 20 Broad Street, New York 5, N.Y.

Valley Mould & Iron Corp.—Memorandum — First Cleveland Corporation, National City East Sixth Building, Cleveland 14, Ohio.

Western Union Telegraph Co.—Report—Parrish & Co., 40 Wall Street, New York 5, N. Y.

Whirlpool Corp.—Report—Shields & Company, 44 Wall Street, New York 5, N. Y.

Wisconsin Public Service—Report Robert W. Baird & Co., 110 East Wisconsin Avenue, Milwaukee 1, Wis. Also available is a memorandum on **Geo. J. Meyer Manufacturing Co.**

Wood - Mosaic Corp.—Analysis—Cruttenden, Podesta & Co., 209 South La Salle Street, Chicago 4, Ill.

NY Bond Club To Hold Outing

The Bond Club of New York will hold its annual summer outing at the Sleepy Hollow Country Club on June 2.

Minimum Wage Legislation Spells Free World Trouble

By Paul Einzig

International repercussions of our minimum wage rate legislative efforts, as seen by an outsider, make the matter more than a purely domestic affair. Dr. Einzig premises his misgivings on the fear that our quest to keep raising the standard of living will cause us to sacrifice the financial support required to stave off the communist entry into the underdeveloped world. He draws an analogy as to what happened to Great Britain as a dominant world power when it pushed the welfare state ahead of all other considerations.

LONDON, Eng.—The initial setback in the attempt of the new Administration to adopt legislation providing for a substantial increase of minimum wages is primarily an internal matter for the United States. Nevertheless, it is liable to affect the economic outlook throughout the free world. The defeat of the Bill in its original form by a narrow majority must be viewed with satisfaction by those in favor of resisting world-wide inflation. For the level of wages in the United States is a factor of first-rate importance in international trade. It is liable to influence international monetary stability and the prospects of giving effective assistance to underdeveloped countries. Above all, it has a bearing on the political balance of power between the free world and the communist dominated world.

Grave Repercussions

Should the Administration succeed in overcoming the resistance of Congress to the proposed major turn in the inflationary wage spiral, it would have grave repercussions within and outside the United States. So far the Administration has done excellent work in stopping the gold drain by restoring confidence in the dollar. This newly-reestablished confidence would weaken materially if the competitive capacity of the United States in the world markets were reduced as a result of a unilateral increase in wages, and as a result of the ensuing substantial increase in domestic consumption. There can be little doubt that the trade unions would be able to maintain existing wage differentials, so that the increase in minimum wages would be accompanied by an all-round increase in wages.

Nor would the resulting cost inflation and demand inflation remain confined to the United States. The handicap imposed on American exports would enable Britain and other industrial countries to grant in due course corresponding wage increases with impunity. Consequently the adverse effect on the American balance of payment would be largely temporary. It might last, however, long enough to cause substantial gold losses and to weaken the dollar's position. During the transition period while the export of American goods and services would remain handicapped, the United States would be exporting inflation to other countries of the free world.

This assumes, of course, that the all-round increase in wages would not be accompanied by a corresponding increase in the output. It is of course, conceivable that this assumption might prove to be incorrect. Even if we were to accept, however, the possibility of such expansion, the wage inflation would entail grave disadvantages to the free world. It would mean that domestic consumption in the United States and other industrial countries, would absorb the increase of the output which ought to be made available for backward countries. Unless the fruits of expansion are earmarked for these countries, all the talk about assisting them becomes sheer mockery. If it is the serious intention of advanced countries to help underdeveloped countries, they must accept at any rate for some years, the inevitability of a static or at any rate slowly increasing standard of living.

International Monetary Instability

During the transitional period the weakening of the dollar's position that would result from the raising of the minimum wages in the United States would make for international monetary instability. This would be detrimental to the power and prestige of the United States and of the entire free world. On the financial front the United States would be forced on the defensive and they would not be in a position to assist effectively the weaker countries of the free world. Expenditure on national defense might have to be curtailed at the wrong moment.

Beyond doubt, President Kennedy's desire to improve the position of the lowest-paid workers is inspired by an idealism similar to that which was responsible for the sudden development of the British Welfare State after the war. But it might be advisable for Americans to ponder over the lessons of the British idealistic experience. Before the war Great Britain was a world power second to none, and its voice carried immense weight in international affairs. Today there are only two world powers — the U. S. A. and the U. S. S. R. The reason why Britain lost her position in the front rank can be found in the haste with which the Welfare State was created under the Socialist Government and further developed under the Conservative Government. National greatness in the form of having a decisive voice in world affairs has been sacrificed for the sake of national greatness in the form of advanced social services. The two ends would not have been incompatible if the trade unions restrained their greed. And now in the U. S. A. their greed is sought to be encouraged by means of higher minimum wages.

Fortunately for the free world the United States has until now succeeded in maintaining a reasonable balance between guns and butter. Judging by the projected increase in defense expenditure, it is President Kennedy's intention to maintain that balance. Intention in itself is not enough however. If as a result of a deliberate stimulus given to wage inflation the dollar's position should weaken, the Administration may feel impelled to cut down on expenditures just at a time when the inability of the free world to grant effective economic assistance to under-developed countries would bring new recruits into the Communist bloc.

It must be of course, the ultimate aim of the United States Government, and of all other governments, to raise the standard of living at home. At the present moment, however, it is infinitely more important to abstain from weakening the position of the free world. Instead of seeking easy popularity by encouraging and even engineering an increase in the standard of living at the expense of weakening security against Communism, it should be the duty of all governments in the free world to make their public opinion realize the overwhelming importance of deferring or moderating their claims for a rapidly rising standard of living.

Shearson, Hammill To Admit Partner

On April 13 Raymond C. Forbes will be admitted to partnership in Shearson, Hammill & Co., 14 Wall Street, New York City, members of the New York and other leading exchanges.

Named Director

BOSTON, Mass. — Lawrence M. Kirk, President, Chase Distributors Corp., has been elected a Director of John P. Chase Inc., investment counsel firm, with headquarters in Boston and Geneva, Switzerland. John P. Chase Inc. is investment adviser to The Chase Fund of Boston and Shareholders' Trust of Boston.

Lawrence M. Kirk

Form R. L. Warren Co.

ST. LOUIS, Mo.—R. L. Warren Co. has been formed with offices in the Paul Brown Building to engage in a securities business. Officers are Samuel P. Glassman, President; A. J. Ahner, Vice-President; and Theodore Kristal, Secretary-Treasurer.

Wood, Walker Co. And Morgan Davis Consolidate

Two New York Stock Exchange firms, whose origins date back over 90 years, have announced that they have merged their businesses, effective March 31. The firms as previously known are Wood, Walker & Co. and Morgan Davis & Co. The new firm will be known as Wood, Walker & Co. Its offices will continue at 63 Wall Street, New York City.

Wood, Walker & Co. was established in 1869 and acquired Stock Exchange membership in that year. It numbers among its customers family members of four generations. The first predecessor firm of Morgan Davis & Co. started business in 1854 as a Stock Exchange member firm.

An historic highlight of Morgan Davis & Co. is that the late Clarence Day was a partner of one of the predecessor firms and provided in his observations and philosophies the basis for the famous play, "Life With Father," written by his son Clarence Day, Jr. The play had a record run on Broadway a generation ago.

The two firms have been closely associated for many years and the merged firm will continue to provide a wide range of investment services.

Douglas G. Bishop, Poynton K. Bishop and Arwed R. Bruyn, formerly partners of Morgan Davis & Co., are now general partners of Wood, Walker & Co. Roland Schuppel will also be associated with the firm.

K. H. Nieland Co. Formed

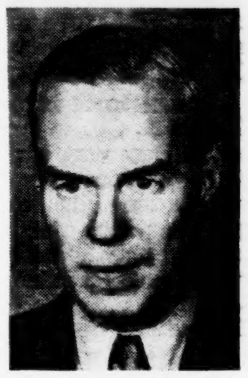
(Special to The Financial Chronicle)

MINNEAPOLIS, Minn. — K. H. Nieland & Co., Inc. is engaging in a securities business from offices in the Thorpe Building.

Municipal Bonds Merit Attention of All Investors

By Curtis V. ter Kuile*

Analyst notes to his dismay that numerous individuals earning higher salaries are not seeking tax savings through State-local issues. He reminds them that speculation in low-priced and often worthless stocks cannot compare to municipals now at historically cheap prices, and that those who buy stocks for capital gain can obtain the same opportunities in municipals and yet have a prime, well secured investment. No matter what happens in the future, municipals today constitute an appealing buy according to the writer.



Curtis V. ter Kuile

At a time when 70 million individuals and businesses in the United States are struggling with their Federal Income Tax returns, and 10 million are also filling out an income tax blank for the state in which they reside, it would seem to be proper to point out some of the merits and advantages of tax-exempt bonds. According to the writer's knowledge, the United States is the only country in the world, except West Germany, that grants taxpayers exemption on the interest of municipal bonds, and it seems proper that taxpayers in this country have full acquaintance with that privilege and use it to it's best advantage.

According to the old adage, there are two things that are certain in a person's life: the one, of course, is death; the other is — taxes. Under present tax laws in the United States a substantial percentage of a person's wages are withheld by his employer and forwarded to the Treasury. Moreover, payments are demanded in advance on the person's estimated tax for the current year. Several of the states have income tax laws and somewhat the same procedure for making collections. About 15% of all income taxpayers will hire lawyers, accountants, or appeal to the Internal Revenue Service, for help in filling out the income tax blanks.

Despite all of this, there are large groups which pay no income tax at all. One of such groups include persons who have no salary or income except from investments, and have all of their funds invested in tax free municipal bonds. But other far larger groups include all Federal Government corporations, the farm cooperatives, and the labor unions. Out of about $350 billion of taxable personal income only approximately $170 billion is taxed. The Federal corporations and Authorities, and cooperatives, compete with regular business corporations that pay 52% of their income for Federal taxes and a good deal additional for state and city income and franchise taxes.

Offsetting the Income Tax Burden

There is little anyone can do to ease the burden of the American taxpayer due to the commanding of his income. It all started in a very small way in 1913. That first income tax law was a 16-page pamphlet. The present income tax law has 1006 pages. Enforcement has now grown to a point where the Internal Revenue Service is steadily assuming domination over the financial affairs of all business and individual taxpayers, and the rulings, demands and even threats of the Revenue Service seem far beyond the intent of Congress in passing income tax laws.

A complete revision of the law and its provisions for collecting the tax is badly needed. In the meanwhile however, substantial savings may be accomplished through investment in tax-exempt municipal bonds. Few persons outside of the institutional investor class realize the importance of this means of placing funds at interest. It may not be possible to escape heavy taxation on salaries, but substantial savings may be had on investment income through the purchase of tax-exempt bonds. Anyone who pays an income tax and has money to invest should consider these securities.

Capital Gains in Municipals

It is true that many persons invest in stocks more for capital gain than for income, but if one doubts that municipal bonds can show a capital gain then he should consider the following example. On Jan. 6, 1960 a New York State 2½% bond due in 33 years sold on a 3.90% basis. Today it is selling to yield 3.70%. At the top of the municipal market in April 1946 it sold on a 1.25% basis. These swings in yield and consequently in price are almost as broad as the swings in price for such high grade stocks as Du Pont.

Protection of Each Bond

Moreover, it should be realized that a true municipal bond, payable from unlimited *ad valorem* taxation, is a prime investment. The municipality is bound to levy and collect the required real estate taxes to meet the service of the debt. The citizens have first voted in favor of incurring the debt, because they are the ones who would have to pay it. The property owner must pay his taxes promptly or have his holding sold by the municipality. It frequently means the loss of his home. The municipality, moreover, is responsible to higher authority, the county or the state, to enforce collection of real estate taxes and to use the funds solely for the purpose voted by the electorate.

Certain water revenue and sewer revenue tax-exempt bonds have requirements that the collection of water and sewer bills be handled in the same manner as the real property taxes, and such bills are usually attached to the latter tax bill. However, foreclosure proceedings on water and sewer tax defaults are usually required to be instigated in three months after failure to collect money due. The water can be shut off at the building and the Board of Health starts a dispossess action for sanitary reasons. In the case of real estate tax defaults, it usually takes from two to three years before the municipality actually holds a sale of the property. Therefore, a good water or sewer revenue bond is considered a secure investment.

Alerts Salary Earners

As mentioned above, with the higher level of salaries nowadays, most persons are potential municipal bond buyers, and this appears to be an excellent time to make such investments. There can be little question that stock speculation is rife. There is little regard for price-earnings ratios, yields, or even past performances. The New York *Times* average of 50 stocks stood at 376.39, on March 30, 1961, only 1.82% below the high for 1961 of 383.23, and only 13.7% below the high since 1951 of 427.89 on Aug. 3, 1959.

There is exceptional interest in buying low priced stocks. An example of all this would be found in the shares of a chain of restaurants which caters to very moderate incomes. In this case the stock has paid a dividend for only three years. It is selling for 28. The price/earnings ratio is 51.7, the dividend pay-out 74%, and the yield 1.43%. This may be compared with a relatively high priced electronic stock which has paid a dividend for 22 years, sells 13 times earnings to yield 3.76% on a pay-out of 45%. There could be a broad decline in the stock market with so many dangers besetting the world today, and with such high prices for shares.

Historically Low Priced Bonds

Municipal bonds, on the other hand, are historically cheap. On March 27, 1961 the Dow Jones municipal yield index read 3.56%. This index moves inversely to prices. It was at an all-time high, with prices therefore at an all-time low, of 3.81% on Jan. 11, 1960. The all-time high for prices was indicated by the 1.40% index on April 1, 1946. This means that average municipal bond prices are now only 7.02% from their historic low, but are 60.7% below the all-time high.

There has been a suggestion made by the President's team of tax experts to eliminate the tax exemption on the interest income of state and local bonds. If this theory were seriously advanced, there would surely be a storm of protest from every municipality, toll roads, and public power project in the country. If such a law were passed over these protests, it would be extremely favorable to outstanding tax-exempt bonds, because surely it would be illegal to tax any but future issues.

As far as the advantage of tax exempt bonds over equal quality corporate bonds or stocks is concerned, a person who has a taxable income of $9,000 and buys a 3¾% tax free bond at par would have to purchase some taxable security of equal quality on a 5.68% basis to equal the 3.75% yield on the municipal. If his taxable income were $15,000, it would be necessary for him to find an equally high grade stock, for example, with a 7.08% yield, and that would be just impossible at this time. Do not overlook the fact that if the taxpayer is a resident of New York, or Maryland, or any other state having its own income tax laws, then he can buy municipals issued within his own state and get an additional exemption of perhaps 0.60% taxable equivalent.

If an investor were to purchase a 3¾% tax-exempt municipal bond at par, the taxable equivalent of a corporate bond or a stock would be as follows:

Taxable Income	Taxable Equiv. Yield
$10,000	6.05%
15,000	7.08
20,000	8.52
25,000	9.15
30,000	9.87
35,000	10.71
40,000	12.10
45,000	13.39
50,000	15.00

As to the future of the tax-exempt market, it has been indicated by the present Administration in Washington that its object was to hold down, if not reduce longer term interest rates. At the same time the Administration seems to feel the necessity of increasing expenditures for foreign aid, the defense effort, and domestic unemployment relief. The money for the increased expenditures can only come from additional revenues, from a postal rate increase for example, or more likely, from additional taxation. If the Administration can obtain its objective, this can only mean higher tax-exempt bond prices. Moreover, if we should have a severe decline in stocks, there would be an increasing demand for bonds. If taxes are higher it would be more prudent to purchase tax-exempt bonds than corporate bonds. If business declines, the demand for loans would also decline, money would become cheaper, interest rates would go lower. This would cause bond prices to rise.

*The writer is a graduate mechanical engineer, Cornell University. He has been engaged in engineering and the investment business for many years and is a member of the Cornell Engineering Society and the New York Society of Security Analysts.

Lester, Ryons Admits Partners

LOS ANGELES, Calif. — F. B. Callender, Henry H. Gilbert, Frank Harwell, Jr., and James B. Lester, Los Angeles; Carl E. Kane, Pasadena; Gordon A. Pratt, Redlands; Dean W. Campbell, Corona Del Mar; Earl M. Mathison, Claremont; and Kenneth M. Payne, Jr., Glendale; have been admitted as General Partners in Lester, Ryons & Co., 623 South Hope Street, members of the New York Stock Exchange, American Stock Exchange (Assoc.) and Pacific Coast Stock Exchange.

Hooker & Fay Names Troyer Vice-President

SAN FRANCISCO, Calif.—Hooker & Fay, Inc., 221 Montgomery Street, members of the New York and Pacific Coast Stock Exchanges, has elected William C. Troyer a vice-president of the firm.

Shields & Company To Admit Partner

Shields & Company, 44 Wall St., New York City, members of the New York Stock Exchange, on April 6 will admit Thomas F. Cahill to partnership.

I. R. E. Investors Absorbs Capital Accumulation

LEVITTOWN, N. Y. — Peter J. Comerford, President of I. R. E. Investors Corp., 300 Hempstead Turnpike and Sy Miller, President of Capital Accumulation Corp., Garden City, N. Y., have announced the merger of their firms. As a result of the merger, I. R. E. Investors Corp. becomes the surviving corporation, with Mr. Miller joining the firm as Vice-President.

Realty Investment Trusts And the Potential Investor

By Richard H. Swesnik,* *President, Swesnik and Blum, Inc. and of Swesnik and Blum Securities Corp., Washington, D. C.*

Assessment of real estate investment vehicles ranges from limited partnerships, so popular in the 1950's, to the currently burgeoning real estate investment trusts. Mr. Swesnik is dismayed by the lack of knowledge of, and the failure to make known, the dangers said to be inherent in real estate corporate ownership. The real estate syndication expert contends limited partners of real estate syndicates with patience could have merged into an investment trust which would have wiped out syndication's disadvantages and eliminated the corporate tax as well. In selecting a trust, he recommends most of the weighting be given to management as against quality and location of property.

Because of a new law signed on Sept. 14, 1960 known as Public Law 86-779, billions of dollars of investment capital may find its way into the real estate markets of America. The new Real Estate Investment Trust Law went into effect Jan. 1, 1961. Prior to this effective date, the financial columns of the major newspapers were filled with news items about the plans of various companies to enter the new field.

Richard H. Swesnik

To understand the impact of the new law upon the industry and the general public, it is important to consider why Congress felt new legislation was needed in this area. Immediately after World War II, under the impetus of new construction and plenteous capital which had been accruing during the war years, real estate syndicates began to mushroom, principally in the larger Eastern cities.

In order to lessen the impact of the corporate tax many of these syndicates were formed as "thin" corporations whereby the investor would invest as little as 20% of his money as capital, the other 80% of his total investment would be accounted for by his receiving bonds or debentures as evidence of the corporation's debt.

Bonds Retired as Fast as Possible

As the property owned by the corporation developed income, the principal method of returning income to the investor was to retire the bonds as fast as possible. Very little of the investor's income then was subject to Federal tax inasmuch as the major portion of his income was return of his capital through the liquidation of a portion of the bond or debenture. The corporation that owned the property, however, despite all the intricate debenture arrangements, nonetheless paid income taxes. And unless the method of selling the property at a later date was carefully handled, this, too, often resulted in the paying of a corporate tax. Inasmuch as the major consideration for an investor is stability of the property and the size of his return, most organizers of syndicates are constantly studying ways to improve the ownership position with special emphasis on the avoidance of paying the corporate tax.

Because of these studies, the decade of the 1950's saw the limited partnership method of owning real estate burgeon into use and become the principal method of owning income-producing property. The typical limited partnership, and again, emphasizing the tax aspects, is able to generate "tax free" income because this method allows the depreciation to flow directly to the partners. The obvious advantages to investors who are receiving income, much of which is "tax free," has de-emphasized the disadvantages inherent to limited partnerships.

Taxation of Limited Partnership

In October, 1960, the Internal Revenue Service issued regulation No. 301,7701-2 governing the taxation of limited partnerships. In effect, the following criteria are the main factors evaluated by Internal Revenue to determine if a "partnership" is to pay corporate taxes. These criteria are: continuity of life; transferability of interests; unlimited liability, and centralized management. If the partnership has continuity of life, if there is no liability to any of the partners, if the ownership interests are freely transferable and if there is centralized management, you may call it what you like, but you pay corporate taxes.

If, however, "on balance" three of the four criteria aforementioned do not exist then the partnership would pay no taxes, and the partners would each pay taxes on their pro-rata share of the partnership profits.

To favorably meet the criteria established by the Internal Revenue Service, the limited partnership should have no continuity of life. If the general partners die, the partnership ends. It is possible to form a new partnership, of course, but as a practical matter it presents some accounting and legal problems. Additionally, minors should not be parties to the limited partnership agreements. It is difficult for investors seeking to provide their children with incomes to use an investment in a limited partnership as the correct vehicle for accomplishing their purposes. Also, borrowing becomes "sticky" because the general partners have unlimited liability for partnership obligations even for nominal amounts.

Substitute for Original Partner Is Time Consuming

Further, the transfer of a limited partnership interest is necessarily restricted by requiring the unanimous consent of the general partners, in order to avoid the free transferability of interest test. The admitting of substitute limited partners, when the original limited partner wishes to sell his interest, is a time consuming, paper shuffling process requiring the signing of four or five different legal documents. Also, the operation of a limited partnership usually prohibits the dividing of a limited partnership unit of interest into smaller units than one.

For example, if a limited partnership interest originally cost the investor $5,000 he is, of course, not as liquid as if he owned 100 units for which he paid $50 each. Additionally, because of the foregoing restrictions, formal markets such as are found on the major stock exchanges and less formal markets such as are found in over-the-counter trading do not exist. It is unusual, other than in a syndicator's office, to find a formal market for the trading of limited partnership interests.

Another point to consider is that limited partnerships are "one-shot" transactions, i.e., the money is raised to purchase a single income property and the partnership itself, rarely, if ever, requires another property. The complexity of re-arranging partnership interests and the possibility of being taxed as an active real estate corporation are two major reasons why partnerships remain tied to one purchase. In order to achieve diversification an investor must acquire an interest in a shopping center, an interest in an apartment house and another interest in an office building.

Because of the minimum unit size of the investment, his invested capital to obtain diversification may be as little as $10,000, but more probably, $20,000.

While these disadvantages are very real, even the least sophisticated investors love to receive "tax free" income. The advantages of owning real estate with allowable depreciation that generates such "tax free" income has heretofore been so favorable that the investor has tended to overlook the aforementioned disadvantages of limited partnerships.

Three Groups at Work

Of course, Utopia to the syndicator would be a situation which would retain the tax advantages of the limited partnership and would eliminate the disadvantages which have been outlined. While many syndicators were dreaming of such Utopia, three different groups of people were busily working on plans to have things changed in their favor.

The first group were trustees of the real estate investment trusts already in operation which were being taxed as corporations but nonetheless were operating properties, many of which had managed to survive the foreclosures during the "Great Depression" of the early '30's. This group was unashamedly lobbying for a Federal act which would eliminate the corporate tax and permit the operation of their investment trusts in much the same way as regulated mutual funds.

A second group were syndicate managers who were seeking ways and means of eliminating the disadvantages of the limited partnerships while at the same time retaining favorable tax treatment. And the syndicate managers, some of whom were Realtors, joined with the first group to help obtain favorable Federal tax legislation.

At the same time they also were active in helping to obtain clarification from the Internal Revenue Service of their regulations governing limited partnerships. Such new regulations have now been published and they eliminate much of the "fuzzy gray area" which existed prior to the promulgation of these regulations.

A third group of syndicators energized by heavy emphasis on the disadvantages of the limited partnerships and de-emphasizing the tax advantages of limited partnerships have sold their investors on the idea of merging all the limited partnerships into large publicly owned corporations. In other words, they reversed the cycle, and were at apparent odds with the thinking of real estate investment trust groups and syndicators still favoring more liberalized treatment of limited partnerships and other

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Volume and Earnings of Stock Insurance Companies

By D. G. Scott,* *First Vice-President and Actuary, Continental Assurance Co., Chicago, Ill.*

Stock life insurance companies are more than holding their own against mutuals in insurance volume, and their profit margins are unlikely to be affected by the new mortality tables. In fact, Mr. Scott sees the rising trend of families, income and innovations in insurance policies assuring continued industry growth, and he explains why earnings should continue favorably. Moreover, the new Income Tax Act of 1959 is expected to remove the handicap coming from competing with self-administered and trusteed pension plans. Further, the trend away from term insurance and toward "life insurance as an investment medium" is seen presaging an even more favorable outlook.

We have just finished a decade in which every year saw an increase in most of the significant figures relating to the life insurance industry. If there is one figure in which company management is more interested than any other, I would say that it is ordinary life insurance sales. From ordinary life insurance sales today must come the bulk of tomorrow's profits. In 1960, for the first time, this figure leveled off after ten years of unbroken and substantial gains. Does this mean that we have come to a time when we can no longer expect a gain in new paid-for ordinary insurance of from 5% to 10% each year?

Future gains must necessarily depend upon two factors: (1) the amount of insurance which the average family can buy; and (2) the increase in the number of families. 90% of the market for ordinary life insurance sales lies in the ages between 20 and 64. During the past 10 years, the number of persons in this age group increased by less than 7%. During the decade to come, it will increase by about 17%. From the viewpoint of the increase in the number to whom sales can be made, we are going to be better off in the immediate future than we were in the immediate past. The other factor affecting ordinary life insurance sales depends to a large extent upon the income of the family unit. As income increases, the amount of life insurance purchased increases more than proportionately. Here, a reasonable assumption is that the forces which were at work during the past decade will continue in the next. Altogether we have to assume that the market for ordinary life insurance sales will continue to expand and perhaps at an accelerated rate.

The past ten years saw life insurance companies display more ingenuity and inventiveness than they displayed in the previous 30 years. Much effort and thought was employed to develop appealing policies. A number of new plans were successfully introduced such as the family plan and the guaranteed insurability plan. These innovations were largely aimed at the young adult market and that market will expand then most rapidly. During the last decade, about 2,100,000 persons each year became 21 years of age. During the next decade, the figure will be over 2,800,000 each year, an increase of nearly a third. I doubt if we have arrived at the end of our inventiveness and new successful plans of insurance will be developed in the near future.

During the past ten years, the amount of all kinds of life insurance in force in the average family has increased by about $500 each year. In 1960, the average stood at just over $10,000 and there appeared to be no slackening in the rate of increase. A continuation of the same trend would imply that the total amount of insurance of all kinds would average about $15,000 per family in 1970 and the aggregate would be somewhere in the neighborhood of one thousand billion dollars in 1970. There is apparently no signs of market saturation at this point and a point to remember is the fact that stock companies are more than holding their own in competition with the mutual companies as their share of the total insurance in force has been gradually increasing.

Turns From Volume to Earnings

Not infrequently, the question is raised by security analysts as to the effects of competition for this growing market. It is generally known that nonparticipating insurance issued by stock companies has premiums which are based on up-to-date mortality experience and not on the current legal standard which is the 1941 CSO Mortality Table. How many are generally aware of the fact that nonparticipating premiums have been reduced steadily over the last 15 years? I am inclined to agree that rate changes come about more quickly now than formerly. However, this has partly been the result of a return on investments which has increased steadily since the middle forties coupled with a steady decrease in mortality rates since the middle thirties. When one considers that the mortality in the 20 years ending in 1955 showed an improvement of about 25% which is about the same as the improvement in the 80 years prior to 1935, you can see that there is every reason to make changes in our ratebooks at more frequent intervals than we did in the past.

During the next few years, all companies will be adopting a new mortality table, the 1958 CSO Mortality Table, for reserves and cash values. The introduction of this table will of itself have little or no effect upon the premiums and the earnings of a stock insurance company except where deficiency reserves are involved. Disregarding deficiency reserves, we can say that the most important effect of the change in mortality tables will be in the field of public relations where the industry would suffer if it retained an obviously out-of-date mortality table for a legal standard. However, since all companies will be introducing new ratebooks, it can be expected that all of them will re-examine the mortality bases and interest rates used in computing premiums and it is possible that they will find reason for somewhat lower premiums because of better mortality or improved interest earnings during the past few years. I believe that the actuaries calculating these premiums will be just as conservative as they were a few years ago. However, in the light of recent experience, they may adopt more favorable mortality assumptions and interest assumptions while still retaining the same margins for profit as they formerly had.

This brings up the question as to whether we can expect mortality to continue to improve in the future as it has in the past. There are those who believe that mortality has in fact leveled off during the past three or four years. Certainly there seems to be little likelihood that the death rate can go much lower for children and young adults. Even if it does, the effect will be relatively light on earnings. A very different picture obtains at the older ages where causes of death have hardly been affected by the advances in medicine. These are cancer and the degenerative diseases of the heart and blood vessels. It seems inconceivable that there should not be substantial gains in this area although when this would occur and whether it will be suddenly or gradually can only be conjectured.

Earnings Return

I would expect that interest assumptions for nonparticipating policies would be in the neighborhood of 3% to 3½%. This compares with earnings of somewhat more than 4% before Federal income taxes. Federal income taxes would take up somewhat less than one-half of the margin. Although the rate at which new investments are being made is somewhat less now than it has been recently, new investments are being made at a rate which is in excess of the average rate being earned by companies at present so it can be expected that the average earned rate will very likely continue to rise but at a slower pace.

There is every reason to believe that the earnings on business now in force will remain at present levels or increase as there seems to be nothing that can be foreseen which will reduce mortality or interest earnings. At the same time, the earnings on new and future business can be expected to be as great as the earnings on our old business was expected to be when it was issued.

Expenses

The trend on expenses of life insurance companies are very difficult to measure because of the variation in product lines of ordinary, group life, accident and health, etc. However, I would like to make one observation. Many companies have introduced programs for automation during the past few years so that their expenses have generally contained the development expenses in this connection. It is certainly true in the case of my own company where we purchased a computer and incurred the expense of developing programs for it as well as running a duplicate operation or both on new and old matters of operation for a considerable period of time simultaneously. Less of this duplication in expense should occur during the next few years as companies become more fully automated and abandon their former procedures.

The Federal Income Tax Act of 1959 provided that life insurance companies would be able to compete on a more equitable basis with self-administered and trusteed pension plans thus eliminating a handicap under which the industry had suffered. While we have been handicapped up to the present time, it should not be thought that we have arrived too late in the market place. 55% of all employees in private nonagricultural establishments are still not covered by pension plans other than Social Security. Most of these are employed by relatively small firms as most of the large employers are already covered. It is precisely the small employer whose pensions can be most successfully covered by life insurance industry so that we have in this area a market which is still relatively untouched and where we can expect to make substantial gains in the next ten years.

I would like to make one final comment. There has been a trend towards term insurance and away from such forms as endowment and 20-payment life. Generally speaking, stock companies would prefer to issue the higher premium forms as the reserves they build up are the source of excess interest earnings. This trend may have leveled off and life insurance as an investment medium may be returning to form. The Metropolitan Life in releasing its 1960 figures noted an increased proportion of permanent insurance as contrasted with term. This would be a welcome trend indeed.

The outlook as to market and earnings seems at this moment to be singularly free from any ominous clouds. Only changes in the economy seem to offer any threat in the immediate future and these are perils to be assessed by the economist rather than the actuary.

*An address by Mr. Scott before the New York Society of Security Analysts, New York City, March 7, 1961.

J. C. Bradford to Admit Partners

NASHVILLE, Tenn.—J. C. Bradford & Co., 418 Union Street, member of the New York Stock Exchange, on April 13 will admit Gordon B. Duval, Albert S. Hill and David Steine to partnership. Mr. Hill is manager of the firm's municipal department. Mr. Duval will make his headquarters at the New York office, 44 Wall Street.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Puget Sound Power & Light Company

Puget Sound Power & Light serves electricity to a population of about 800,000 in the western part of Washington. Important activities in the territory are lumbering, diversified farming, fruit growing, dairying, manufacturing, commercial fishing, shipping; major industries include the building of airplanes, ships, freight cars, trucks, and logging equipment; the manufacture of pulp, paper and other wood products, chemicals, light metals, steel and iron products, cement; and the processing of food products and refining of oil. Residential business accounts for 57% of revenues, commercial 25%, industrial only 13%, and miscellaneous 5%. Due to the substantial amount of hydro power, residential rates average only about 1.11 cents per kwh compared with the national average around 2.50 cents.

Puget has enjoyed excellent growth, the population having risen 40% in the past decade in the company's area, compared with 19% for the entire state of Washington (Puget's rapid gain is partly accounted for by the fact that it serves the rapidly growing suburban area around Seattle which has gained 86%). In the past five years peak load has grown 35%. Some 15,000 customers now use electric space heating and average about 20,000 kwh per annum, while the average for all residential customers is 9,000 kwh vs. the national average around 3,800. Almost all new schools authorized in the area in the past two years were "all electric" and represent a very advantageous load.

While Boeing with its 56,000 employees is the major manufacturing company in the area, there has been substantial diversification within the past five years. The big new Shell and Texaco oil refineries have found tidewater locations in the area; the world's largest drydock is now under construction at the Bremerton Naval Shipyard; and many new plants for food processing, chemicals, cement, small pleasure boats and for the production of brick, concrete block, etc. have sprung up. Substantial growth has occurred in production of fir plywood, and pulp production is a major factor, the state being second only to Florida. Many new plants produce a variety of products: particle board, hard board, insulation board, kraft paper, plywood veneers, plastic laminates, building panels, wood beams, corrugated boxes, paper containers and a growing family of chemicals derived from wood. While there has been some uncertainty about the future of Boeing, the company has been rapidly diversifying and is now heavily in missiles and other new lines; it appears likely that it will remain a major industrial factor in the coming years.

Several industrial parks are being developed in Puget's area; the company itself, through a subsidiary, has a controlling interest in one of these, located near Seattle. General Electric became the first tenant, purchasing eight acres for a 124,000-square foot center for its major appliance division. When developed, the park will accommodate 40 to 50 light manufacturing plants or distribution centers. Residential areas surround the park and a large shopping center is scheduled to adjoin it. Facilities are under construction in another park in the city of Bellevue: one for United Controls, an important, fast-growing electronics firm, and another for Simpson Timber Company's research center. When complete, the park will accommodate 20 to 30 firms for light manufacturing, research or distribution. Puget's industrial load growth has maintained an average annual rate of almost 11% in the past five years, and assuming normal business conditions, this trend is expected to continue.

Puget is well situated as regards power supply, having recently completed a hydro project which increases capacity 170,000 kw. In recent years long-term contracts also have been signed with several PUDs to obtain power from hydro projects built or building—Rock Island, Rocky Beach, Priest Rapids, Wanapum, etc. This power is purchased on a "cost-of-service" basis, which provides Puget with a level of costs that will be relatively constant, just about as if the company itself had constructed the facilities. In addition to its hydro power obtained through the Northwest Power Pool, Puget now has the most efficient steam plant in the Northwest, with 86,000 kw capability, maintained for standby purposes. Thus with the power from the various PUD projects which will become available as they are completed, the company should have enough power available to take care of double its present peak load by 1965. In later years extra power may become available from the big Hanford atomic power plant (a Federal project) and from the larger hydro potential on the Columbia River which should result from the building of Canadian dams.

Puget Sound during the past decade sold parts of its property to PUDs and municipalities and retired some of its funded debt, with a resulting increase in the equity ratio to 61% in 1956. The company was able to avoid equity financing as a result, letting the equity ratio drop down to 36% in 1960. However, as a result of increasing expenses the percentage earned on year-end net property account declined from 6.1% in 1955 to 4.7% in 1959, and this factor partly offset the lack of dilution because no shares were sold. Share earnings declined from $1.33 in 1950 to $1 in 1952 but then began a steady gain to the $2.12 reported in 1960.

In 1960 there was a gain of only one cent in earnings. The credit from interest charged to construction dropped 59 cents, but the company obtained a rate increase (effective for about seven months of the year) which increased earnings by some 31 cents. Early in 1961 common stock was sold on a one-for-ten basis, but the resulting dilution should be about offset by the remaining accrual of the rate increase amounting to about 20 cents a share.

The stock has been selling recently around 37 and pays $1.56 to yield 4.2%. The price is about 17.5 times the 1960 earnings of $2.12, compared with an average P-E ratio for the industry of about 21.

Midland Capital Names Fin. Dir.

Harold C. Lang has been appointed Director of Finance of the Midland Capital Corporation, 120 Broadway, New York, it has been announced by Harold C. Stott, President.

Mr. Lang was formerly Controller of Columbia Broadcasting System, Inc. N. Y. and Assistant to the Vice-President, Finance. He will initiate and supervise research, field analyses and general review of investment applications submitted to this Small Business Investment Company.

Geo. McKelvey Forms Co.

SEA GIRT, N. J.—George I. McKelvey, Jr. has formed George McKelvey Co. with offices at 115 Neptune Place to engage in a securities business. Mr. McKelvey was formerly a partner in J. Barth & Co. and Darby & Co.

Mrs. Roebling Named by NABW

Mrs. Mary G. Roebling, President and Chairman of the Board, Trenton Trust Co., Trenton, N. J., has been named April, 1961, "Bank Woman of the Month," by the National Association of Bank Women. Mrs. Roebling was elected a director of the bank in 1937, to fill a vacancy created at the death of her husband. She became President of the bank a year later and Chairman of the Board in 1942.

Mary G. Roebling

A director of five major businesses in the New Jersey area, Mrs. Roebling lives at 40 State St. in the heart of Trenton. She has been an active member of the NABW since 1937 and has participated in A.I.B. courses. She is also a member of the American Bankers Assoc. and is on the Board of Governors, American Stock Exchange.

Freehling, Meyerhoff To Admit Partner

CHICAGO, Ill.—Freehling, Meyerhoff & Co., 120 South La Salle Street, member of the New York and Midwest Stock Exchanges, on April 13 will admit Stanley Freehling to partnership.

Tax Loopholes and Tax Logic

Continued from page 3

tage; the median oil company is taxed 2.2% of its sales, as against 6.0% for the median of the other companies. However, this second column discloses a rather startling range of tax costs; Southern California Edison paid 15.9% of its sales revenue in income taxes, whereas Armour in paying almost as high a percentage on net earnings paid only .7% on sales. If the corporation income tax is just another expense of doing business, which in ordinary course will be added to selling prices and recovered from the customers, the tax is extraordinarily unequal in its impact on different products and consumers.

The third column in the table shows each company's total tax bill, including income taxes, property taxes, excises recovered from customers, and all other company-paid levies, expressed as a percentage of sales revenues. If it is assumed that the customer finally pays the bulk of the tax bill in his product price, this column shows the percentage of the product price represented by taxes. This time the oil companies do not appear to be the special favorites of public policy. Their total tax contributions average more than 20% of their sales, far above that of most other industries.

Unplanned Divergence of Figures

But the truly startling aspect of this third column is the very great and obviously *unplanned* divergence of the figures. American Tobacco delivered 52.9% of its collected revenue to the tax collectors, Southern California Edison paid over 29.5%, Gulf Oil 20.6%, California Packing 5.4%, and Armour 1.4%. No theory of taxation which advocates spreading tax burdens according to benefits received, ability to pay, or to secure minimum distortion of markets could possibly countenance results like these. A very heavy corporate income tax falls with crushing force on companies with high capital investment and consequent high profits per dollar of sales, such as the public utilities, and deals relatively lightly with fast-turnover concerns such as food companies. The heavy burden of local property taxes augments this same distortion, thus guaranteeing tax discrimination against any industry whose technology requires heavy capital investment. (This occurs, of course, in a country which is seeking to stimulate capital outlays.)

TABLE I

Taxes Paid or Collected by Selected Corporations, 1959

	% of Pretax Net Inc. Pd. in Inc. Txs.	% of Sales Revenue Paid in Inc. Txs.	% of Sales Rev. Paid in All Txs. & Excises
Phillips Petroleum	31.3	4.3	16.6
Shell Oil	22.2	1.8	19.6
Stand. Oil (Ind.)	15.4	.9	19.9
Union Oil	10.1	.6	20.7
Gulf Oil	31.1	3.7	20.6
Socony Mobil	28.4	2.5	23.8
Texaco	21.1	1.9	21.3
Stand. Oil (N. J.)	51.0	5.4	29.6
Amer. Tobacco	53.5	6.3	52.9
Amer. Telephone	47.8	13.2	28.7
AT & SF RR	37.7	5.9	13.5
Armour	44.3	.7	1.4
Bethlehem Steel	51.2	6.0	8.3
Calif. Packing	50.2	4.1	5.4
General Motors	51.3	8.2	11.1
Goodyear Tire	45.9	4.1	6.5
Intl. Harvester	51.7	4.7	9.4
Scott Paper	48.3	7.8	9.1
So. Calif. Edison	51.0	15.9	29.5
Union Carbide	48.8	10.7	11.8
Westinghouse	41.9	3.9	6.6

Sales Revenue and Pretax Net exclude dividend income, but Sales Revenue includes excise taxes collected from customers.

Some of the disparities between the third-column figures are obviously the result of excise taxes levied on the companies' products. Oil products, tobacco, telephone service, railroad service, and new automobiles are taxed various amounts for various reasons. The reasons include (1) to recover the cost of special public services from the users (i.e., gasoline taxes to pay for roads), (2) to discourage use of the product for public reasons (possibly to discourage smoking for health reasons or to discourage wartime railroad travel), (3) to tax luxuries and thus those able to afford them, and (4) simply to raise money. Several of the excise taxes, including those on telephone use and railroad travel, were imposed as wartime use-restriction devices and now remain solely as relatively illogical revenue producers.

About two-thirds of the taxes collected and paid by the oil companies consist of gasoline taxes and excises on lubricants and other oil products. The bulk of this goes into Federal and state highway programs, and the amount of it used for other governmental activities is probably offset by other governmental appropriations having to do with highways and roads. Thus it can be argued that the oil companies and their customers contribute only modestly to general government, possibly only about 7% of their sales, and probably a little less than most of the industries represented in Table I. This is true, if it is assumed that the highways are no part of general government and that highway users should pay the whole highway bill through their oil-products taxes. But this is logic honored only occasionally in the American tax system. Farm benefits are not paid for by a tax on farmers, fire departments are not paid for exclusively by taxes on combustible property, school taxes are not paid exclusively by those whose children go to school. Surely the contribution of highways to the general welfare, including the fostering of commerce, community security, and the national defense, justifies the admission that a substantial part of the gasoline and lubricants taxes is a contribution to the general welfare. If so, the third column of the table must be conceded to prove that the oil companies and their customers are paying at least an average share of the cost of general government, plus a full price for the special advantages they derive from highway development. In view of the almost ludicrous disparities in total tax load among the different industries, it is not clear that either equity or sound economic purpose would be greatly advanced by levying additional taxes on the oils.

TABLE II

1959 Profits as Percentages of Sales and Net Worth

Industry	Sales	Net Worth
Petroleum	8.4%	10.0%
Auto and Truck	6.7	17.4
Building Fixtures	4.0	9.2
Chemical	8.9	14.4
Dairy Products	2.6	12.0
Distilling	3.8	7.9
Iron and Steel	6.0	8.4
Machinery	5.0	9.9
Meat Packing	1.0	7.8
Paper	6.5	10.5
Tobacco	5.8	15.0
All Manufacturing	5.8	11.6
Electric Power & Gas	13.2	10.2
Telephone & Telegraph	14.1	10.1

Who Really Pays the Corporation Taxes?

It is generally conceded that property taxes and excise taxes are ordinary business operating expenses which all competitors must recover out of selling prices, if they are to stay in business. But it is often argued that a business income tax is different, that it merely takes a share of what the firm is able to earn and would otherwise keep for itself. Since the firm will presumably earn the largest amount it can get anyway, the tax will in no way enable it to raise its prices or shift the tax burden to its customers or anyone else.

This nonshiftability theory can be made very persuasive by a clever economist, and it doubtless has elements of truth in it. There is a large academic literature which debates the issue pro and con. But the nonshiftable argument will not stand up under reasonable statistical tests. For example, the average percentage of posttax net profits to book net worth in American manufacturing industry was about the same in the 1926-1929 and the 1952-1959 periods. The Federal income tax on corporations was approximately 12½% in the earlier period but 52% in 1952-1959, and state income taxes were also increased. As the taxes were increased between 1930 and 1950 the taxpayers' pretax earnings also rose, and the final posttax earnings rate on net worth in normal years stayed reasonably proportional to interest rates and other forms of capital compensation—a persuasive indication that most of the tax was being passed along. As a second example — the income taxes levied on the chemical, paper, electric power, and certain other industries are much heavier per dollar of sales than are those levied on most industries. Yet the companies with the heaviest income taxes per dollar of sales, whose taxes have thus been disproportionately increased in the past 30 years, do not now earn less on net worth than companies in other industries. Quite generally, the pretax profit margins on sales in such industries have risen more than in other industries, to absorb the tax increases and leave normal profit margins on net worth.

As a third demonstration, Table II lists 1959 figures showing net profits per dollar of sales and per dollar of net worth in a number of leading industries, the data being taken from compilations published by First National City Bank. It is quite obvious that the industries showing the largest net profits per dollar of sales—and thus bearing the largest income taxes per dollar of sales—are not prevented from earning adequate profits on net worth. And this in turn would clearly imply that these industries, and others as well, have been able to add their mounting income tax loads to selling prices and recover them from their customers.

Although there are doubtless decadent industries in which tax and other cost items cannot be shifted to customers or others, and although portions of the huge tax increases of recent years doubtless come to rest at all points in the economy, the statistical evidence shows clearly that the corporate income tax is not a unique levy whose burden stays on the companies which originally pay it. The income tax is pretty much like other taxes and expenses, just a cost of doing business which is normally covered in selling prices by any healthy and growing industry.

Conclusions

The conclusions which can be drawn from this review are anything but complimentary to our second-largest tax, and to current proposals for making it "equitable." Briefly stated, the conclusions are these:

(1) The bulk of the tax is shifted in selling prices to consumers of the products, and no one has bothered to ask who these consumers are or whether the burden falls on those who should bear it.

(2) The corporate income tax distributes its $22 billion burden very unequally over different industries and products, amounting to 15.9% on electric energy in one case, .7% on foods in another case, and varying widely between industries without reason or intent. Probably a heavy corporate income tax cannot be economically or socially logical.

(3) In general, the corporation income tax falls most heavily (per dollar of sales) on industries whose technologies require heavy capital investments. These are the industries which are most heavily burdened by the general property tax. This compounding of burdens, coupled with an indiscriminate scatter of excise taxes among industries, leads to the observation that industries and products bear tax burdens which are unbelievably discriminatory and totally unintended, and which probably drive consumers in some cases to use less desirable substitute products which actually cost more to produce.

(4) The tax burden borne by an industry and its customers should be gauged by reference to the total taxes paid, not by the income tax alone, and would be best measured as a percentage of product selling prices, not as a percentage of corporate earnings.

(5) Because most of the income tax burden is passed along in selling prices in most growing and healthy industries, it is rather widely distributed. Selling prices and profit margins are competitively adjusted to the existing tax rates. Tax changes which disturb existing relationships create temporary profit and price maladjustments, and should be avoided

except when making definite improvements.

(6) Since the corporate income tax is an unplanned collection of inequities anyhow, since the oil industry and its customers appear to bear a substantial tax load at present, and since the oil industry's profit margins seem to be reasonably adjusted to present tax rules, neither equity nor logic would be served by changing the percentage depletion and intangible drilling cost rules just to increase the oil companies' taxes.

Walter Nestel 60 Yrs. With Firm

A record of longevity rarely achieved under the high-pressure of activities in Wall Street has been established by Walter Nestel, who on April 4 observed his 60th year of uninterrupted association with the investment firm of Roosevelt & Son, established in 1797, and Dick & Merle-Smith, which was formed in 1934 to carry on the securities business of the Roosevelt organization.

Although he retired from general partnership in Dick & Merle-Smith in 1959, Mr. Nestel, now 76 years of age, still carries on his duties and responsibilities as investment adviser to clients throughout the United States and in some parts of Europe. Just as Dick & Merle-Smith's relationship with many of its institutional accounts (in continuing the securities business of Roosevelt & Son) goes back over 100 years, Mr. Nestel's relationship with a number of his clients goes back more than 50 years. In addition, Mr. Nestel continues as a director and treasurer of The Broadway Improvement Company, a real estate holding company, owned by the Roosevelt family.

Sharp Earnings Uptrend for AT&T Cited in Study

Sharply increasing usage of the new Data-Phone method of high-speed transmission conceivably can result in a major and immediate increase in revenues and earnings of American Telephone and Telegraph Company, with revenues of $1 billion per year a distinct possibility from this source alone by 1966, David J. Greene and Co., members of the New York Stock Exchange, predicted April 6 in a special study of the Bell System.

Initially introduced in 1959, some 1,100 sets of Data-Phone were in use at the start of 1961; ten thousand sets are expected to be in use by the end of the year; by 1965, A. T. & T. estimates that 200,000 sets will be connected, and in time, millions, the study said. "The company is anticipating the day when the volume of communication between machines will be as great as the volume of communications between people," it stated.

Asserting that the Bell System's past growth has been "merely a prelude to an exciting future," David J. Greene and Co. added that the new data transmission business is still in its infancy, earnings are growing, dividends will increase, equity financing will be at a minimal, A. T. & T. space satellites will be aloft, and electronic control centers will increase in importance. These developments could have an important effect on the market appraisal of A. T. & T. shares.

In recent years, the study noted, the dividend payout by A. T. & T. has averaged about 62% of earnings. As earnings increase during the next five years, it stated, "we believe dividends will again be increased in an amount representing an average dividend payout of this same proportion."

The Greene investment firm also noted in its comprehensive analysis of the world's largest communications network that over the last 10 years, telephones in service increased by 72%; consolidated operating revenues by 118% and net income by 233%. And A. T. & T. projections of its growth over the next 20 years anticipated a gain of 220% in telephones in service, a 420% increase in long line messages, and 2,400% climb in overseas messages, it was pointed out.

To finance estimated total capital requirements of around $14 billion during the 1961-1965 period, 70% of cash needs will be available from depreciation and retained earnings (before giving effect to any future dividend increases), the analysis said. After sale of the common shares this month (April, 1961), no common stock or convertible debentures will be sold for a few years except for sales to employees and dilution will be at a minimum.

The current study, the second on the Bell System as prepared by the David J. Greene organization, projects cash flow, earnings and dividends for the 1961-1965 period and other pertinent data on the world's biggest corporation. In its initial analysis issued in September, 1958, the firm accurately projected the company's need for financing, and presented detailed tables showing cash flow estimates, balance sheet projects and earnings estimates. During December 1958, the A. T. & T. management announced a dividend increase and a 3-for-1 split of the shares.

J. A. Donnelly Joins Wertheim

Jas. A. Donnelly, Jr.

James A. Donnelly, Jr. has become associated with Wertheim & Company, 120 Broadway, New York City, members of the New York Stock Exchange, in the trading department. Mr. Donnelly was for many years with Reynolds & Co.

Cruttenden, Firm Admits Partners

CHICAGO, Ill.—Cruttenden, Podesta & Co., 209 South La Salle Street, members of the New York Stock Exchange and other leading exchanges, have announced that Donald F. Cook and William K. Bosse have become general partners of the firm. Mr. Cook represents Cruttenden, Podesta & Co. on the floor of the New York Stock Exchange. Mr. Bosse is Director of Research in the Chicago head office.

Allen & Co. in Private Placement

It was announced on April 4 that Allen & Co. had placed privately 150,000 shares of the common stock of Pepsi-Cola United Bottlers Inc. The company, formerly the investment affiliate of the Bank of America, is a holding company with subsidiaries active in investment banking and soft drink bottling and distribution.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

President Eisenhower in his last message to Congress warned that this country should not fall into the control of scientists or the military. What he probably had in mind is that the launching of the first astronaut into space will cost $200,000,000. All sorts of millions have been spent in the preliminary trials.

What will the United States get out of it? Why are we embarking upon the program?

Former Secretary of Defense Charles E. Wilson was ridiculed because he insisted that the scientists show him that they were working on something practical. What it will mean if we are the first to put a man on the moon, I am sure I don't know.

The scientists' answer to the question of what we will get out of it is to my mind far from satisfying. Now, the scientists explain that man has an insatiable curiosity to know what lies beyond the earth's atmosphere, out in the heavens where lie the moon and the heavens.

In 1958, the year that Project Mercury was set up, the President's Science Advisory Committee sought to answer the question of why the United States had undertaken an ambitious space program. It cited four factors as follows:

The first of these factors is the compelling urge of man to explore and to discover, the thrust of curiosity that leads men to go where no one has gone before. Most of the earth has now been explored, and men now turn to outer space as their next objective.

Second, there is the defense objective for the development of space technology. We wish to be sure that space is not used to endanger our security. If space is to be used for military purposes, we must be prepared to use space to defend ourselves.

Third, there is the factor of national prestige. To be strong and bold in space technology will enhance the prestige of the United States among the peoples of the world and create added confidence in our scientific, technological, industrial and military strength.

Fourth, space technology affords new opportunities for scientific observation and experiment which will add to our knowledge and understanding of the earth, the solar system and the universe.

It is claimed that prestige is all important. According to the Kennedy Administration, our prestige took a sharp drop overseas in the late 1950s after the Russians launched their Sputnik. President Kennedy made much of this in the 1960 campaign and now he has asked Congress for enough money to prepare this country to be able to send man around the moon by 1964.

Specifically, he has asked for additional funds for the National Aeronautics and Space Administration, to hasten development of the Saturn 2-C launch vehicle system. This would have a thrust far beyond anything that the Soviet Union is believed to have.

To get back to those who are trying to justify the costs of an ambitious space program, the President's Science Advisory Committee had this to say:

"Scientific research, of course, has never been amenable to rigorous cost accounting in advance. Nor, for that matter, has exploration of any sort.

"But if we have learned one lesson, it is that research and exploration have a remarkable way of paying off—quite apart from the fact that man is alive and insatiably curious. And we all feel richer for knowing what explorers and scientists have learned about the universe in which we live.

"It is in these terms that we must value the launching of satellites and sending rockets into space. These ventures may have practical utility, some of which will be noted later. But the scientific questions come first."

Scientists are pretty sure that there is no life on the moon, but this is something, they say, that cannot be taken for granted. Plans have already been taken for the NASA to land a man on the moon.

There are also plans to explore Mars and Venus, the planets nearest to the earth. The scientists know enough about Mars to suspect that it may support some form of life, a hypothesis that may be proved or disproved before the decade is over.

In the meantime, it is a great day for the scientists. They are getting all the money they can spend.

H. L. Temple With Atkinson & Co.

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Oreg. — Harold L. Temple has become associated with Atkinson and Company, U. S. National Bank Building. Mr. Temple was formerly vice-president of Campbell & Robbins Incorporated, in charge of the municipal bond department.

R. B. Cay With Schirmer Firm

BOSTON, Mass.—Schirmer, Atherton & Co., 50 Congress Street, members of the New York Stock Exchange, have announced that R. Bruce Cay has become associated with them and will be in charge of their sales organization. Mr. Cay was formerly with Reynolds & Co. in charge of their Boston office.

Schroeder Opens Office

CHICAGO, Ill.—Paul A. Schroeder is conducting a securities business from offices at 6030 Sheridan Rd.

BANK AND INSURANCE STOCKS

BY LEO I. BURRINGTON

This Week — Insurance Stocks

TRANSAMERICA CORPORATION—

Management recently described Transamerica's growth philosophy as a "restless" company openly receptive to new ideas for expanding into various financial areas. Presently, Transamerica's major holding, Occidental Life Insurance Company of California, is expected to continue its fast growth through the selection of insurance to meet modern conditions and through intensive merchandising effort. Further integration steps can be expected to effect economies for Transamerica's main property and casualty insurance subsidiaries — American Surety Company, acquired in 1960, and Pacific National Fire Insurance Co. Through Capital Company, large real estate development operations are owned. The one remaining manufacturing subsidiary is General Metals Corporation. Although management states it has no plans to dispose of this company, one can logically assume a sale of this subsidiary at some future time since Transamerica is expected to center expansion plans on the financial segments of its operations.

Transamerica Corporation

Price range 1961-1958	35—23
Recent price	34
Dividend	$0.80
Yield	2.4%
1960 earnings	*$1.47
Net asset value	$18.62
Shares outstanding	12,147,058

* Compared with $1.91 a share based on 11,372,000 shares outstanding at the end of 1959.

This company has undergone many transitions during the past three years. Transamerica as of today can be considered a holding company with its insurance interests, mainly life, predominant. Yet further diversification in other financial fields may continue to unfold. During 1958 Transamerica ceased to be a bank holding company with the spin off of majority-owned banks via Firstamerica. Also Transamerica sold the shares of former subsidiary banks owned by its insurance companies to Firstamerica for a $6.7 million profit. Today the major bank holding in the Transamerica portfolio is the 36% stock ownership of Citizens National Trust & Savings Bank of Los Angeles, a rapidly growing and highly profitable bank which now ranks among the 50 largest commercial banks in the nation.

By the end of February, 1959, all of the shares of Transamerica's seafood cannery business, Columbia River Packers Assoc., Inc. were disposed of at a profit. The profitable disposition of Allied Building Credits, Inc., a note and mortgage business, was executed in early 1959. The present manufacturing subsidiary, General Metals Corp. (products mainly are in the metal working category) has usually operated at a profit even though such profits are of a highly cyclical nature. The remaining real estate subsidiary, Capital Company, has been a marginal operating business although capital gains are realized and, by 1965, this company should start making healthy contributions to Transamerica's profits. During 1959 a majority interest was purchased in Phoenix Title & Trust Co., the largest title insurance concern in Arizona, for $4.2 million. In 1960 Phoenix earnings amounted to $609,000.

On February 15, 1961 Transamerica made offers to exchange 162,406 shares of its capital stock for stock of American Surety Co. of New York and Phoenix Title and Trust Co. held by minority stockholders. As a result, present ownership amounts to 96% and 98.5% respectively. The previous loosely-knit half dozen fire and casualty subsidiaries have undergone considerable consolidation. The Automotive Insurance Co. was sold to the Pacific National Fire Insurance Co., Manufacturers Casualty Insurance Co. and the Manufacturers Fire Insurance Co. were merged into Pacific National. Later The Paramount Fire Insurance Co. was merged with Pacific National. Thus all of these member Transamerica companies remain by consolidation with the directly owned multiple line writer, the Pacific National Fire Insurance Co., which in turn owns Automotive Insurance Co. and Premier Insurance Co. Both Automotive and Premier are writers of automobile physical damage insurance primarily.

With the acquisition of American Surety Company of New York, through a 1960 exchange of shares, a long established casualty operation now provides Transamerica with a well-rounded territorial and insurance line underwriting. It is hoped the resulting closer operations in the fire-casualty lines will lead to more profitable underwriting results. Separately the above companies have experienced unprofitable underwriting operations for several years.

Investment interest still centers primarily on the largest and strongest Transamerica asset, 100% owned Occidental Life Insurance Company of California. Occidental not only ranks eleventh among the nation's life insurance enterprises, it now ranks fourth among the stock owned companies and is reputed for its dynamic growth aided by concentration in the faster growing areas of population, notably California. A high level of activity characterizes all of its departments. At the end of 1960 insurance in force reached a record $10.2 billion, with 60.8% representing ordinary insurance and 39.2% group insurance. Total assets increased to $817 million, up from $751 million for 1959. Life insurance written during 1960 totalled $1,788 million. The satisfying results can be attributed to application of methods proved by many years of experience and several effective departures from old patterns, such as quantity discounts, reduced rates for longer living women, flexible policies for older people and complete coverage innovations.

Policies are written in all states, except New York, and throughout Canada. Occidental also writes a substantial amount of accident and health insurance. Management expects to increase sales outlets by 25 new offices in 1961. Present outlets total 255 branches and general agencies and 42 group field offices. The American Life Insurance Company of New York, a subsidiary of American Surety Co., generates business principally in New York, thus supplementing the operations of Occidental.

The recent activities of Transamerica indicate a building up of considerable earning power to supplement the main contribution by Occidental Life. Transamerica holds a rather sizable investment portfolio which is available for any financial needs as management continues to explore other investment opportunities. Transamerica stock provides investors a participation in a leading "all lines" insurance operation. The stock is listed on the New York Stock Exchange, a unique factor for a life insurance equity.

The Mead Corp. Debs. Offered

Pursuant to an April 6, 1961 prospectus, Drexel & Co., Philadelphia, and Harriman Ripley & Co., Inc., New York City, publicly offered $25,000,000 of 4½% debentures due April 15, 1986 of The Mead Corp., at 99. The company will use $15,000,000 of the proceeds to retire short-term bank loans, and the balance for capital improvements and other corporate purposes.

The Mead Corp., of 118 West First St., Dayton, Ohio, manufactures and sells paper and paperboard products. Giving effect to the present financing, capitalization will consist of $25,000,000 of 4½% debentures, due 1986; $25,000,000 of 4% debentures due 1983; $22,000,000 of 4¼% sinking fund notes; 45,594 cumulative preferred shares, 4¼% series; and 5,269,234 shares of common stock.

Offers Closed-End Firm's Com. Stk.

Pursuant to an April 3 prospectus, Balogh & Co., Inc., with main offices in the Woodward Building, Washington 5, D. C., and branches in Arlington, Va. and Bethesda, Md., publicly offered at $5.70 per share 250,000 shares of the 25¢ par common stock of The Alaska-North America Investment Co.

The Alaska-North America Investment Co. was organized on Aug. 22, 1958, under the laws of the State of Maryland, and maintains its principal office presently at 1511 K. Street, N. W., Washington 5, D. C. The company was initially organized under the name, The Alaska Fund, Inc., which was amended to its present name on May 19, 1959. The company is subject to regulation under the Investment Company Act of 1940 (the "Investment Company Act") and has registered thereunder with the Securities and Exchange Commission as a closed-end, non-diversified management investment company. Such regulation, however, does not involve governmental supervision of the company's management, investment practices or policies.

NEWS ABOUT BANKS AND BANKERS

Consolidations • New Branches • New Offices, etc. • Revised Capitalizations

The Chase Manhattan Bank, New York, opened a new branch April 5 at Second Avenue and 42nd Street, the bank's 106th office in New York City.

* * *

Election of Thomas S. Gates, Jr., as a Director and Chairman of the Executive Committee of **Morgan Guaranty Trust Company of New York** was announced today by Henry C. Alexander, Chairman of the Board.

Mr. Gates was Secretary of Defense during the final year of the Eisenhower Administration, concluding a period of public service that began in 1953 when he was appointed Under Secretary of the Navy. He was Secretary of the Navy from 1957 to 1959 and Deputy Secretary of Defense from June, 1959, until his appointment as Secretary of Defense in December of that year.

For the two years 1935-36 he was employed at 23 Wall Street in New York by the private banking firm of **J. P. Morgan & Co.,** a predecessor of Morgan Guaranty. Prior to that he had been associated with **Drexel & Co., Philadelphia, Pa.,** which conducted the Philadelphia activities of the Morgan firm. He returned to Drexel and in 1940 became a partner in that underwriting firm.

* * *

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

	Mar. 31, 1961 $	Dec. 31, 1960 $
Total resources	3,990,687,332	4,423,947,762
Deposits	3,125,674,195	3,646,025,383
Cash and due from banks	671,597,774	1,200,981,678
U. S. Govt. security hold'gs	432,064,873	450,156,420
Loans & discts.	2,285,574,071	2,351,906,559
Undivid. profits	131,072,293	126,323,292

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Bankers Trust Company, New York, has announced the appointment of Dr. Roy L. Reierson as Senior Vice-President. He is advancing from the position of Vice-President.

* * *

BANKERS TRUST COMPANY, NEW YORK

	Mar. 31, 1961 $	Dec. 31, 1960 $
Total resources	3,063,836,904	3,430,253,163
Deposits	2,624,906,221	3,032,174,316
Cash and due from banks	630,925,290	927,889,549
U. S. Govt. security hold'gs	526,639,476	671,767,482
Loans & discts.	1,598,553,915	1,567,059,587
Undivid. profits	53,050,777	48,960,147

* * *

THE HANOVER BANK, NEW YORK

	Mar. 31, 1961 $	Dec. 31, 1960 $
Total resources	1,832,482,276	2,192,266,000
Deposits	1,562,805,283	1,885,721,000
Cash and due from banks	363,347,697	615,802,000
U. S. Govt. security hold'gs	387,620,081	442,241,000
Loans & discts.	948,518,931	975,680,000
Undivid. profits	37,850,081	41,073,235

* * *

IRVING TRUST COMPANY, NEW YORK

	Mar. 31, 1961 $	Dec. 31, 1960 $
Total resources	1,790,719,256	2,254,621,257
Deposits	1,552,205,627	1,998,540,101
Cash and due from banks	294,800,912	744,697,535
U. S. Govt. security hold'gs	359,507,025	383,619,582
Loans & discts.	963,934,177	959,155,782
Undivid. profits	32,544,147	35,066,641

* * *

MANUFACTURERS TRUST COMPANY, NEW YORK

	Mar. 31, 1961 $	Dec. 31, 1960 $
Total resources	3,304,617,856	3,973,719,461
Deposits	2,753,793,573	3,464,810,876
Cash and due from banks	574,402,144	1,253,619,748
U. S. Govt. security hold'gs	744,436,455	712,510,329
Loans & discts.	1,486,209,903	1,586,109,562
Undivid. profits	46,717,989	43,718,024

* * *

THE BANK OF NEW YORK

	Mar. 31,'61 $	Dec. 31,'60 $
Total resources	549,699,756	694,890,898
Deposits	457,508,858	605,978,910
Cash and due from banks	115,313,885	247,359,770
U. S. Government security holdings	107,448,102	98,764,940
Loans & discounts	261,240,731	295,629,990
Undivided profits	9,779,650	9,440,690

THE GRACE NATIONAL BANK OF NEW YORK

	Mar. 31, 1961 $	Dec. 31, 1960 $
Total resources	219,828,933	233,274,819
Deposits	196,659,987	208,259,566
Cash and due from banks	35,996,126	63,512,536
U. S. Govt. security hold'gs	43,770,326	42,453,611
Loans & discts.	117,591,004	106,972,574
Undivid. profits	2,135,341	3,719,241

* * *

Martin J. Fox, 67, the Auditor of **Kings County Trust Company, Brooklyn, N. Y.** died April 3.

Before joining Kings County Trust Company in 1955, Mr. Fox was in the United States Farm Credit Administration for 23 years and was its Chief Examiner for the last 10 years of his service there.

* * *

The application of **Marine Midland Trust Company of Southern New York, Elmira, N. Y.,** a **Marine Midland** bank to merge with **First National Bank and Trust Company of Ithaca, Ithaca, N. Y.,** has been denied by the Board of Governors of the Federal Reserve System, according to a statement issued by Baldwin Maull, President of Marine Midland Corporation.

The Federal Reserve Board finding is that the merger "would eliminate existing and potential competition" and could impair the future competitive capacity of other banks in the Ithaca area.

Mr. Maull disclosed that Marine Midland plans to ask for a reconsideration of this decision.

* * *

The Lake County National Bank of Painesville, Painesville, Ohio, has increased its common capital stock from $900,000 to $1,000,000, by the sale of new stock, effective March 22. (Number of shares outstanding 100,000 shares, par value $10).

* * *

The First National Bank of The Black Hills, Rapid City, S. D., has increased its common capital stock from $1,000,000 to $1,500,000 by a stock dividend, effective March 24. (Number of share outstanding 15,000 shares, par value $100).

* * *

Harold E. Thayer was elected to the Advisory Board of **First National Bank in St. Louis, Mo.**

* * *

It has been announced that Richard W. Courts, Glen P. Robinson, Jr., and Charles R. Walters have been elected Directors of **Citizens & Southern Capital Corp.,** a subsidiary of **Citizens & Southern National Bank, Savannah, Ga.**

* * *

By the sale of new stock, the **City National Bank of Coral Gables, Coral Gables, Fla.** has increased its common capital stock from $500,000 to $600,000, effective March 20. (Number of shares outstanding 60,000 shares, par value $10).

* * *

By a stock dividend, the **San Angelo National Bank of San Angelo, San Angelo, Texas,** has increased its common capital stock from $800,000 to $1,000,000, effective March 23. (Number of shares outstanding 100,000 shares, par value $10).

* * *

Henry H. Sorensen, of **The Bank of California, N. A., San Francisco, Calif.** has been appointed Manager of the San Carlos office, succeeding James R. Campbell, who has resigned.

THE MARKET . . . AND YOU

BY WALLACE STREETE

Stocks trading reached a peak for more than five years this week but pricewise the story was one of much resistance both for the industrial and rail sections that pretty much stymied progress.

The carriers were a definite drag on the market. They had finally confirmed the strength in the industrials two weeks ago but then ran out of steam and turned reactionary with no follow-through to their upswing.

This discouraging action kept the industrials restrained and they still haven't made any determined assult on their all-time peak which was half a dozen points away from their rally peak.

Surging Quality Issues

Some of the quality items took their turns at being market features, notably staid American Telephone which responded to a deluge of favorable recommendations by staging a spirited one-day advance that carried it to an all-time peak.

In the welter of buying and selling with the market not moving far either way, history's broadest market was carved out when 1334 separate issues dotted the tape on one day. Until this year a single day's work had never seen more than 1290 issues on the tape and that was an achievement of six years ago. A measure of the cross-currents fighting each other was that for a week the number of minus and plus signs held in near balance that didn't see either side able to outpace the other by more than a hundred out of more than a thousand that moved either way with some conviction.

Electronics were given to erratic action for the most, the issues in the section found straggled on both sides of dead center more times than not, and even the better-acting ones given to sudden reactions within a given trading session that kept them from making the over-all-progress that so distinguished them last year.

The exception is American Telephone which, to some of its fanciers, was emerging as the senior electronic item of them all, on the brink of opening the space age communications era via satellites and slowly emerging as the key service organization in setting up network linkage for electronic computers. American Telephone has already set the high-water mark for any corporation in its profit-making ability, having cleared a billion and a quarter last year to eclipse the previous record of $1.1 billion reported by General Motors for 1955.

ATT Debate

The debate over Telephone is a never-ending one. To many it is too staid; already too mammoth for dramatic growth; has too large a capitalization of more than 200 million shares, and the price of the shares has gone a long way to discount future growth. To its fanciers, it is only on the verge of its dramatic expansion; has reached the point where the heavy dilution of the shares for expansion which has been underway continuously ever since World War II is about over, and in new laboratory developments could turn up some revolutionary devices to put it solidly in the forefront of the space age.

There can be little disagreement with the fact that after holding the dividend line unchanged for a third of a century, the telephone colossus turned a definite corner in splitting the shares for the first time in history with two dividend increases since 1959. Nor can the facts be denied that it is a profit-maker second by some yardsticks only to International Business Machines. However in Telephone's case the constant dilution of the shares tended to obscure that fact.

There was some favorable attention being given, at long last, to another blue chip that hasn't had easy sledding recently—Standard Oil of New Jersey. This issue was able at least to make an appearance on the 1961 list of new highs. But this was after a decline that had almost halved the market price of the shares between 1957 and 1960. Much of the concern over Jersey Standard centered on its Venezuelan subsidiary, Creole Petroleum, which is also the largest producer of crude in this hemisphere.

With the danger of a revolution in Venezuela diminishing, and the threat of any disruption in Creole's operations waning, Standard of Jersey was getting some new friends after it had been a selling target by a wide variety of professional investors for months. Whatever problems still remain for this oil colossus were pretty much discounted in its slide from above 68 to 38 last year. The lack of any further liquidation to affect the market price could be indicated by the fact that it spent the first quarter of this year in a range of a mere half dozen points.

Red Ink Submerges Most Rails

Holding back the rails even after they had broken free through an overhead resistance area was the fact that their emergence coincided with a dreary outpouring of red ink earnings statements that covered a period when unusually foul weather forced extra expenses and curtailed business. Rails, consequently, had few friends.

There are, however, some quality items in the carrier picture as well as some handsome yields that are not available in the industrial section where prices have advanced to where 3% returns are almost lush. Santa Fe is one of the better grade railroads and it offered a return of 5¾% at recent levels. Santa Fe, despite the recession and troubles for rails generally, shows its second-largest revenues in history last year. Helping to keep this fact obscured were the largest capital expenditures in Santa Fe's history, running to some $98 million. That dropped net more than a fifth despite the near-record revenues.

This year Santa Fe is in position to show a sharp improvement in net income, particularly if the year proves to be one of bumper wheat crops as predicted. For one, the heavy expenditures this year will drop some $33 million. For the two weather - harassed initial months of this year Santa Fe was able to cling to the black ink column although the 10 cents per share reported was less than half of the 22 cents reported for the same period last year. Progress is seen certain, however, as the year progresses. The unknown in the Santa Fe picture is whether its bid to take over Western Pacific will win out over the rival one being made by Southern Pacific.

Plywoods Stirring

Some of the plywood companies have been stirring now that the market for plywood is improving, including Georgia-Pacific which once was concerned solely with plywood but in recent years has achieved a degree of diversification. It is still the nation's largest plywood producer but the plywood end of its business is now down to where it produced only two-fifths of total sales, the rest coming from its other forest products and from its latest venture, pulp and paper.

Helping Georgia-Pacific make an easy transition to pulp and paper was its vast supply of waste chips that made raw material costs negligible. The paper line sufficiently impressed the company's managers so that they doubled the paper capacity last year and are planning further expansion, a good deal of it aimed at utilizing more of the waste products from its lumber and plywood activities.

In addition to the growth of Georgia-Pacific's activities apart from plywood itself, the plywood market is also looking up now that it seems that residential construction is in an upturn which is being spurred along by government activities.

Johns-Manville is also one that has been benefitting lately by the prospect of expanded construction activities, along with its plan to enter the prefab house field with factory assembled panels that are to be given a market test in St. Louis initially. The shares have been edging higher so the yield is not overly ample. In fact, it has been below 3% at recent levels of the shares.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Never Push A Beginner

One day, when I was a lot less experienced about children, I though I'd take my two year old out to the beach and teach her how to get her feet wet. We went near the pounding surf and as I tenderly held her in my arms, the kid started to scream and struggle so violently she almost wiggled out of my grasp. Said I to myself, "I'll teach her not to be afraid" and with a paternal push I somehow got her struggling litle body into the cold, wet sea. With a howl she turned and ran and, as I dutifully went after her, a much wiser man in the ways of children, called to me. "Young fellow," he said, "if you don't mind a bit of advice, you are going to make that kid so afraid of the water she will never learn to swim." By this time I caught on. I bundled her up in my beach robe and I took her back to her mother who by this time was about ready to see me quartered, slaughtered and drowned myself. Later on, by taking it easy, we gradually taught the young lady to get her feet wet, wade a bit, and now at the age of fourteen she is a teenage mermaid.

Same Goes for Stocks

There are a lot of people who are buying stocks for the first time these days. They read the ads in the papers about investing. They talk to friends. They take a look at the low interest they are getting on their savings accounts, and government bonds and some of them think maybe there is something to this inflation thing, so they say "I'll go into a broker and have a talk with him."

The other day a very well dressed lady who looked to be in her late sixties came to my desk and she said, "I'd like to talk to you about buying some stocks. I never bought stocks before. What do I do?" My answer was something like this, "I am happy you came by to see us. We have many clients who own stocks for years and years and they receive checks every three months as dividends. Most of these people are, I suppose, like you. You want to invest in something that represents a *solid, substantial company,* that has been in business a long time, and that is in a line of business that is growing, and that sells something the people always need. Possibly a good telephone stock or something like that. Is that what you are thinking about?"

With a smile she looked at me and she said, "Yes, I was told that XXX Telephone is a good stock. Do you think so?" Now if I were to tell any of the readers of this column the name of the stock she mentioned I don't think there would be much argument about its investment rating as to quality. We talked a while and I asked her a few more questions. She said she had $10,000 in a special account in a bank that paid her 4% but she had a son, and that he would get this money some day. She wanted him to have more money if possible but she didn't want to take big risks. I assured her that I agreed with her in this respect completey.

Then she asked me how much dividend the telephone stock would pay her and I told her she would receive about half as much dividend on it as she was getting in the bank. Then we figured that the interest on about $2,800 (the cost of 100 shares of XXX Telephone) was only about $30 less per year than she was receiving on her savings and loan deposit. She looked at me a moment quizzically and said, "This telephone stock, you think will grow like it has in the past?" I replied, "This is one of the greatest telephone companies in this country. It is growing year by year. I don't think there is any reason to believe that by 1963 or 1965 we won't be using more telephones than ever, don't you agree?" "That sounds right to me," she said. "I'll buy a hunred shares."

The next day she came back to see me. She had a check in payment two days before settlement date, withdrawn from her account. Then she asked me about another good stock of high quality. We talked a while and she invested another $4,000. When she got up to leave she turned to me and said, "You know, there are quite a few other ladies living at my hotel. They also have been thinking about stocks. You were so nice to me I think I'll send you a few customers."

Incidentally, I also told her to keep $3,000 in the savings account. Just in case some day she might need a little emergency money. This appealed to her — but I've got a hunch that this account isn't going to end here—there was a look, and a manner, and some clothes on this lady that leads me to believe that now she has begun to wade a bit she may someday become quite a swimmer.

Don't forget, good blue chip, big name, nationally known stocks that have paid dividends for years and years are still confidence builders, and when *you are opening accounts with novice investors you can use them to great advantage.*

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The movement of quotations in the Government market seems to indicate that a bit of confusion is being felt among those who operate in these issues. In spite of the current open market policy of the Federal Reserve Board, which is to keep near-term rates from going too low and to "nudge" long-term rates a bit so they will be attractive to seekers of long-term capital, there is still no large scale movement of investors into the most distant Government issues.

On the other hand, the fact that the Treasury is quite likely to confine its new fund raising and the meeting of maturities to the short-term sector of the market, has taken the pressure off the capital market. This has brought borrowers into the corporate bond market in order to obtain new money which will, with time, put more people to work. This is the prime objective of the new Administration in Washington.

Treasury to Borrow $10 Billion

The enlarging calendar of corporate bond offerings, the continued heavy demand for common stocks, along with the indications that the business recession has hit bottom, has created some uncertainty as far as Government bonds and most fixed income-bearing obligations are concerned.

In addition, it is no secret that the Treasury will have to raise more than $10 billion of new money between July and the end of the year. This would be about $4 billion more than was borrowed in the same period last year. It is expected that between $3 billion and $4 billion in new funds will be obtained in July, with a similar amount likely to be raised in October and the balance of $2 billion to $3 billion to be borrowed towards the end of the calendar year. The exact amount which will be picked up in new funds during the latter half of 1961 will be determined by the trend of revenues and expenses.

Corporate Refundings

The improved tone in the capital market is bringing into registration corporate bond issues not only for new money raising but also for refunding purposes. It seems as though the idea of making long-term borrowings at attractive rates is bearing fruit when it comes to the making of corporation loans, since more of these concerns are coming into the capital market to raise new money. Even though the schedule of these flotations is not a real heavy one, it is nevertheless growing and as long as the most distant borrowing rates are on the low side there will be a build up in these offerings.

The fact that more favorable yields are available in corporate bonds than in Government bonds is at this time one of the main reasons why there is price uncertainty in the longest Federal obligations.

Emphasis on Common Stock

The demand for common stocks, according to advices, is now taking funds away from bonds, especially as far as the institutional investor is concerned. With the advent of better business, which not a few economic advisors are predicting, there is a growing interest in equities, because with the turn up of the business pattern it is believed there will be a reoccurrence of the boom and with this comes the fear of inflation.

Because it is through the medium of common stocks that one is able to hedge in some measure against the forces of inflation, it is not at all surprising that the purchase of equities is so strong that it is taking some funds away from Governments and other bonds. Evidently there is no hedge against the inflation forces in fixed income-bearing issues, unless they are convertible into equities.

Higher Long-Term Rates Possible

The other reasons for the tendency towards softness in the prices of capital market issues is the belief that with improvement in the economic situation there will be a modest firming of interest rates, with the long-term rates among the first to feel the effects of this. Also, there is more than a passing amount of exchanges from the long and longest Government obligations into the near-term ones in order to improve the liquidity position of these institutions.

The high income taxes are also bringing not a few switches from selected Government securities into tax-exempt obligations since the yields that are available in the tax sheltered issues are more attractive, especially at this time when the large offerings of state, municipal and revenue bonds are putting pressure on the prices of those securities.

Packard Common Stock All Sold

A. G. Becker & Co. Inc. heads an underwriting group which offered on April 4, 100,000 common shares of Packard Instrument Co. Inc., at $10 per share. An additional 10,000 shares are being offered by the company to its employees. The public offering sold quickly at a premium.

Approximately $325,000 of the proceeds will be applied by the company to the payment of outstanding notes payable to banks and the remainder will be used (1) to expand and intensify research and development activities, (2) to provide additional working capital, and (3) for such corporate purposes as may be determined by the board of directors.

Packard is engaged in the development, manufacture and sale of electronic instruments for detection and measurement of radioactivity. Its products are used primarily by large university and government laboratories throughout the U. S. and Western Europe doing tracer studies with radioactive isotopes. They are also used in research hospitals and in pharmaceutical, chemical, petroleum and other industrial research laboratories.

Combined earnings of the company and its affiliates, for the year ended Dec. 31, 1960 were $231,588, equal to 46 cents per common share then outstanding.

Giving effect to the current issue, capitalization will consist of 615,833 common shares.

R. Scott of Amityville

AMITYVILLE, N. Y. — Randolph Scott of Amityville, Inc. has been formed with offices at 190 Merrick Road to engage in a securities business. Officers are Randolph W. Scott, President; K. L. Scott, Vice-President; and John E. Reilly, Secretary-Treasurer. Mr. Scott & Mr. Reilly were formerly officers of Randolph Scott & Co., Inc.

THE SECURITY I LIKE BEST...

Continued from page 2

Consolidated Foods, allows it to pay a 50 cent dividend.

Consolidated Foods

From a small, wholesale grocery distributor, Consolidated Foods has grown into a large, diversified food company operating over 30 processing plants, 20 warehouses and 350 retail outlets including 100 Piggly Wiggly supermarkets, 240 Lawson milk stores and 10 May's drug stores. The company's retail outlets are concentrated in Ohio, Illinois, Iowa, Minnesota, and Wisconsin. It also sponsors about 1,200 voluntary group stores consisting primarily of about 600 Royal Blue stores and about 500 Cardinal Food stores. In August 1960, Consolidated acquired for cash the majority control of Charles E. Hires, the well-known manufacturer of root beer. Consolidated earned $7,100,000 after taxes in fiscal 1960 on sales of $424,900,000. These results were the highest in the company's history and a continuation of the strong growth in sales and earnings displayed since 1955. Net earnings per share in fiscal 1960 were $2.27 vs. $1.39 reported for fiscal 1955.

The company has followed a policy of acquiring strategic companies in the food business and eliminating unprofitable or marginal divisions or products which have not met the company's profit requirements. As a result of this policy, substantial cash has been generated by the disposal of assets, profit margins have improved and the company is now in a strong financial position. Net working capital at the end of June 1960 was $50,000,000 and the company's net worth was $71,200,000. These resources should permit aggressive policies and probably a continuance of the company's strong growth trend. While food stocks are generally thought of as defensive, the company's heavily entrenched position in the convenience and frozen food fields provides it with above average prospects.

Land Holdings

Union Sugar owns 11,700 acres of land located in Santa Barbara and San Luis Obispo Counties, California. Of total acreage owned, about 10,000 acres are located in the fertile Santa Maria Valley which is in the northwest portion of Santa Barbara County and the southwest portion of San Luis Obispo County. The City of Santa Maria is located in the center of the Valley and Union's land is in the west end.

About 23 miles southwest of Santa Maria is another Valley called Lompoc Valley in which Union Sugar owns some 1,700 acres of land in the west end. This acreage is contiguous with both Vandenberg Air Force Base, a training and operational intercontinental ballistic missile base, and Point Arguello, the Navy's Pacific missile range.

In July, 1958, the government designated Vandenberg as the prospective site for one of the largest guided missile centers in the country. The town of Lompoc was notified that it could expect a large population increase in the next two or three years. When the government's intentions were first made public, land values in the Lompoc area soared. Acreage in the town was being quoted at $6,500 an acre and outside the town at $3,000 an acre.

In August, 1958, Union Sugar entered into a conditional contract to sell up to 2,225 acres of its land to Snow Construction, a New Mexico company, over a five year period at prices ranging from $1,500 to $5,000 an acre. Snow's agreement and master plan for Union's land anticipated a $50 million, 5,000 home development. As a first step towards the development, Snow sought annexation to the City of Lompoc. For over a year, the plan was continually frustrated by the City authorities whose attitude was that farm land in the Valley should be used for agricultural purposes rather than housing. At the same time that Snow's efforts were being resisted, housing in adjacent areas where the authorities were more cooperative was becoming increasingly competitive and the attractiveness of a major development in Lompoc lessened. As a result of these developments, Snow forfeited its option and the land contracted for reverted back to Union Sugar.

This setback ultimately may prove beneficial to Union for the following reasons: (1) The Lompoc City Government, recognizing its mistake, is presently attempting to revive the development through a new program of annexation and master planning; (2) Both the Vandenberg and Point Arguello areas are continually expanding in population and industrial activity and the need for housing and additional community facilities should continue to accelerate; (3) Union derives income from its land and thus it is in an enviable waiting position since its holdings have and shall probably continue to appreciate in value and (4) The company's attitude now seems more amenable towards the idea of eventually sharing in the development of the properties rather than merely selling it off with a resultant one-shot benefit to stockholders.

About 7,000 acres of the company's lands are under irrigation and devoted to intensive agricultural cultivation. The agricultural value of these lands is estimated at approximately $10,000,000. Based on an average price of $3,000 for the 2,225 acres contracted for in 1958, the total sales value of 19% of the company's land would have been approximately $6,700,000 before taxes. In line with the estimated value of $10,000,000 a value of about $348 an acre would be placed on the remainder of the company's properties. This seems extremely low. One would be more inclined to place a future real estate development value of from $15-$20 million on the land equal to $16.85 to $22.46 in land value per share of Union, before taxes.

Annual Earnings

Union Sugar is a holding company—expenses are minimal and earnings have tended to remain fairly steady, increasing only as dividends from Consolidated Foods have been raised. In 1960 Consolidated Foods increased its dividend to $1.20 annually vs. the $1.00 it had previously paid. Assuming no other changes in 1961, Union Sugar's income will be increased by about 6 cents after taxes. Because of this, the company raised its dividend to 50 cents annually.

A summary of Union's net earnings for the past five years follows:

	Net Income	Per Share
1960	$409,300	46¢
1959	388,530	43¢
1958	391,450	44¢
1957	413,850	46¢
1956	396,000	44¢

Union Sugar is regarded as a long term situation and investors should be prepared to hold the issue for that purpose. There is no indication as to the timing on the real estate development of the company's properties. It could be in several months—or years. At some point, however, when the company is ready to make a deal, one can foresee large appreciation potential — with little downside risk at this point.

The stock is currently priced at $17 and traded on the Pacific Coast Stock Exchange.

AS WE SEE IT *Continued from page 1*

When production equipment must be or is changed constantly, decisions as to the best locations can be and are being made almost daily. In other words the mobility of production equipment today is very high. At the same time with the growing tendency toward home ownership, and the tactical power of the unions being what it is, labor is probably becoming less and less mobile. Naturally, one dislikes to leave old and familiar surroundings and friends and start out all over again in some new location. Matters of union membership in one area as compared with the degree in which another area has become unionized often is a deterrent factor, too.

In any event, labor seems less not more mobile than formerly while industry is more mobile than ever before and that mobility is not reduced by the fact that with each technological advance, industry can usually operate with a smaller labor force.

Where industry, sometimes of one kind or closely allied sorts, has become severely concentrated in one area, enterprise tends to look for less congested locations. Decentralization of management, so greatly developed in recent years, tends to make such migrations the more feasible. Modes of transportation have also changed immensely in recent years. Places which used to be far too isolated to be useful sites of plants now find that the development of roads make it feasible to depend upon truck transportation. The development of truck transportation itself helps the cause along. Naturally, as industry disperses itself throughout the length and breadth of the land or develops new centers of concentration, the old tend to decay and become "depressed" or "needy" areas.

There can be no doubt that wage earners themselves and their unions have stimulated such movements as these by monopolistic control of wages and working restrictions of one sort or another. They have not had the vision or the understanding to see what their conduct and their policies were likely to do or even were actually doing. The efforts of the men and their organizations when they found industry leaving them have not as a rule been to attack the underlying causes, but to try to promote the same handicaps in those areas where their employers were going. In some instances at least they have undertaken, sometimes with success for a time, to prevent more or less forcefully the movement of plants or the change of location of the industry. But for the most part such efforts as these were as shortsighted and as naive as some of the programs now being formulated in Washington for the relief of such areas.

Let's Apply Common Sense

Now, of course, it is one thing to feel sorry for wage earners and others caught in the wheels of such an economic movement; it is quite another to permit one's emotions (or one's desire for votes) to lead one to require the taxpayer to come to the aid of such individuals in such a way that the underlying infirmity may well be rendered worse instead of better. What really would be helpful to such communities and such individuals is to give them a hand in working out of the difficulties they suffer—working out of them not by living on the taxpayers, but by finding ways and means of their own to remove the causes of their disaster. In point of fact, nothing else can really be regarded as doing anything substantial for the communities in question or for the individuals in trouble. In the long run these communities and these individuals will have to work out their own salvation or they will not escape.

The current craze for "slum clearing" and "rehabilitation" of this, that, and the other parts of cities or perhaps of whole cities often suffers from about this same infirmity. Why have these areas become "slums"—if they really have done so—and is it to be taken for granted that the construction of better housing and more comfortable living accommodations generally will really rehabilitate them? Sometimes, doubtless such an assumption is sound; in others it may well not be. The causes of the conditions which give the "do-gooder" so much concern may well be a natural outgrowth of the movement of population which, in turn, may be a part either of the almost universal trek to the suburbs or to shifting location of industry. Not all of these things can be effectively treated out of the same bottle. The time has come when more discretion and commonsense must be applied.

Not Farsighted Enough

The trouble, or one of them, is that the professional reformer, now so often working hand and glove with active politicians, can see no farther than the end of his nose. He is acutely aware of conditions all of us deplore, and his inclination is to go directly about removing them when as a matter of fact they can be permanently altered only by indirection — that is by finding out what the underlying cause is and removing it. Such a policy applied to the nation would, of course, entail a great deal of labor and a great deal of time. There are many causes and they differ in their virulence and in their incidence. And, still worse, the removal of them in many instances would be bedeviled with politics. But is there really any other way out?

$190 Million California's Sold

Huge bond offering underwritten by merged syndicate managed by Bank of America N. T. & S. A. and Bankers Trust Co.

A Bank of America N. T. & S. A. underwriting syndicate on April 5 merged with a Bankers Trust Co. syndicate to purchase $190,000,000 State of California Veterans and State Construction Program Bonds. The merged syndicate is managed by Bank of America with Bankers Trust Co. acting as joint manager. Major members of the merged syndicate include First National City Bank of New York, Chase Manhattan Bank and Morgan Guaranty Trust Co.

The merged syndicate bought the $140,000,000 Veterans Bonds, paying a premium of $65,059 for a combination of 5%, 3¾%, 3¼%, 3½% and 4% bonds. The dollar price was 100.046. Net interest cost to the state was 3.8723%. This compared with a net interest cost to the state of 3.815% on the $50,000,000 of Veterans Bonds sold in September, 1960.

The syndicate purchased the $50,000,000 State Construction Program Bonds, paying a premium of $59,669 for a combination of 5%, 3¼%, 3½%, 3¾% and 4% bonds. The dollar price was 100.119. Net interest cost to the state was 3.8474%. This compared with a net interest cost of 3.9447% on the most recent sale of state construction program bonds, in the amount of $50,000,000, in March, 1960.

Both bond issues are being reoffered to investors to yield from 1.70% to a dollar price of 100½ on the 4% bonds, according to maturity 1962-1986. The Veterans Bonds mature on Aug. 1 of those years and the State Construction Program Bonds on July 1.

The Veterans Bonds just sold are the first offering from a $400,000,000 authorization approved by voters in June, 1960. Proceeds will be used to finance purchase of homes and farms by California veterans of World War I, World War II and the Korean War.

Since the institution of the program in 1921 through 1960, a total of 172,219 loans were made. Of these, 55,000 have been repaid in full and about 117,000 are still in force. In an average month, the State Department of Veterans Affairs lends $17,000,000. Applications for loans exceed 2,000 a month.

The State Construction Program Bonds are the first offering from a $200,000,000 authorization voted in November, 1958. Proceeds will be used to meet major building construction, equipment and site acquisition needs for the Departments of the State Government. Minimum needs for the next five years have been estimated at $125,000,000 annually, with the largest part to be expended on the campuses of the University of California and on the State College System.

Bank of America and its underwriting syndicates are the largest buyers of the bond issues of California and its political subdivisions. Through a policy of bidding on virtually all California municipal bond issues, the bank is a major source of funds for the new schools, hospitals, water systems and other public needs in the state. The bank and its associates in the past 12 months purchased more than $680,000,000 of California state and municipal bonds.

Other major members of the syndicate which bought the $190,000,000 State of California Veterans Bonds and State Construction Program Bonds were:

The First National Bank of Chicago; Halsey, Stuart & Co., Inc.; Blyth & Co., Inc.; The First Boston Corp.; Harriman Ripley & Co., Inc.; Harris Trust and Savings Bank; Smith, Barney & Co., Inc.; Lehman Brothers; Kuhn, Loeb & Co., Inc.; Wells Fargo Bank American Trust Co.; Security First National Bank; United California Bank; Drexel & Co.; Glore, Forgan & Co.;

Chemical Bank New York Trust Co.; C. J. Devine & Co.; Continental Illinois National Bank & Trust Company of Chicago; The Northern Trust Co.; Crocker-Anglo National Bank; R. H. Moulton & Co.; Goldman, Sachs & Co.; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.; Bear, Stearns & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Dean Witter & Co.; White, Weld & Co.; Blair & Co., Inc.;

Weeden & Co., Inc.; The First National Bank of Boston; The First National Bank of Oregon; The Philadelphia National Bank; Seattle-First National Bank; Equitable Securities Corp.; Stone & Webster Securities Corp.; Phelps, Fenn & Co.; Salomon Brothers & Hutzler; R. W. Pressprich & Co.; Paine, Webber, Jackson & Curtis; Mercantile Trust Co.;

Lazard Freres & Co.; Shields & Co.; Reynolds & Co.; J. Barth & Co.; Ladenburg, Thalmann & Co.; John Nuveen & Co.; (Inc.); William R. Staats & Co.; Hornblower & Weeks; Wertheim & Co.; Hayden, Stone & Co.; A. C. Allyn and Company Inc.; First Western Bank and Trust Company, San Francisco, Calif.; E. F. Hutton & Co., Inc.; Carl M. Loeb, Rhoades & Co.; Shearson, Hammill & Co.; Ira Haupt & Co.; Alex. Brown & Sons.

Selected American Names

CHICAGO, Ill.—James C. Worthy was elected as a new Director of Selected American Shares at the Annual Meeting of Stockholders on April 3.

Mr. Worthy former Vice-President of Sears, Roebuck and Co. and President of the Sears-Roebuck Foundation, is a management consultant specializing in corporate public affairs. In addition to his business experience, he served as Assistant Secretary of Commerce from 1953 until 1955, and was consultant to the Secretary of Commerce from 1955 until 1959.

At the annual meeting the seven directors who have served the company for some years were re-elected, include Robert S. Adler, David Copland, Mathew Keck, John K. Langum, Anan Raymond, Edward P. Rubin and P. P. Stathas.

SOUTHERN RAILWAY COMPANY

Sixty-Seventh Annual Report for the Year Ended December 31, 1960

To the Stockholders of

SOUTHERN RAILWAY COMPANY:

Your Company's financial performance in 1960 was a very creditable one, considering the lowered level of general business activity throughout the year. Earnings were equivalent to $4.31 per share of common stock as compared with $4.65 per share in 1959.

From the standpoint of their favorable effect on Southern's future welfare, I earnestly believe that actions taken last year will result in 1960 being viewed in retrospect as one of the best years in our history. The following major developments, some of which have been under consideration for a number of years, reached their final form in 1960:

- Approval of our purchase of the Interstate Railroad was recommended by an Interstate Commerce Commission Examiner. This has now been approved by the Commission.
- A 71% stock interest in the Central of Georgia Railway was contracted for, subject to Interstate Commerce Commission approval.
- A substantial interest was acquired in Republic Carloading and Distributing Co.
- Stock was acquired in Trailer Train Company and Southern went into containerized freight-piggyback service in a major way.
- Our Management was streamlined to place our Operating and Traffic Departments under the jurisdiction of an Executive Vice President, to insure the closest possible coordination of our service and sales functions.
- Approval was given by our stockholders to a new General Mortgage providing a flexible financing medium which will be of inestimable benefit in maintaining and improving our position in today's fast-changing transportation picture.

Your Company's immediate and long-term future will be enhanced by the developments outlined above and commented upon in detail in this report.

During January and February of 1961, our income was decreased and our expenses were increased. The fourteen-day strike of railroad tugboat workers in New York Harbor reduced the traffic we interchange with the affected eastern railroads. Also, we were affected by unusually severe snow storms and floods in the east and south, the floods in our territory being the worst in two generations.

Our first quarter earnings will reflect these adverse developments; however, our traffic began to pick up when the storms were over. We believe that the improvement will continue.

Industrial growth along our lines in 1960, which means so much to your Company, was greater than in any year since 1956. There were 372 projects representing a total investment of $497 million. Plant site studies and the new inquiries received thus far in 1961 indicate that this year's record will equal 1960's.

Your Directors and your Management join in acknowledging with appreciation the continuing understanding and loyal support of our customers, our stockholders and our employees.

Sincerely,

March 28, 1961
Washington, D. C.

HARRY A. DEBUTTS
President.

REVIEW OF 1960

Net Income

After all charges Southern earned $30,702,542 in 1960.

Net income for each of the past five years, and equivalent earnings per share of Common Stock—computed after provision of $3,000,000 each year as dividends on Preferred Stock—were:

	Net Income After Taxes and Charges	Earnings Per Share of Common Stock After Preferred Stock Dividends
1956	$38,871,606	$5.52
1957	34,066,710	4.78
1958	30,254,231	4.20
1959	33,126,744	4.65
1960	30,702,542	4.31

Revenues

Operating revenues in 1960 were $261,059,945, or $10,821,504 less than in 1959, a decline of 4.0%. Freight revenues amounted to $229,928,266, passenger revenues to $10,521,111, mail revenues to $11,201,948. Business handled in 1960 as compared with 1959 and the average of the five years 1956-60 is shown in the following table:

Business Handled

	1960	1959	Average 1956-60
Tons of freight moved	66,949,903	66,409,702	65,401,948
Average distance moved	219 miles	221 miles	223 miles
Ton miles	14.6 billion	14.7 billion	14.6 billion
Average revenue per ton mile	1.571 cents	1.636 cents	1.606 cents
Number of passengers	1,171,831	1,151,749	1,325,369
Average journey	303 miles	296 miles	299 miles
Passenger miles	355 million	341 million	396 million
Avg. revenue per passenger mile	2.962 cents	3.069 cents	3.057 cents

Operating Expenses

Although operating expenses were again adversely affected by increased hourly wage rates and cost of materials, expenses for the year were reduced by $1,284,035, or 0.7% under 1959 without reduction in necessary maintenance or the quality of service.

Taxes

Railway taxes for 1960 were accrued in the amount of $33,224,964, a decrease of $7,547,545, or 18.5% from the previous year.

Tax accruals were equivalent to 12.7¢ out of each dollar of gross revenue. Taxes for 1960 amounted to $5.17 per share of Common Stock as compared with net earnings of $4.31 per share after charges, taxes and preferred dividends.

Rapid amortization on certain capital investments made in aid of national defense, while not chargeable to depreciation under Interstate Commerce Commission accounting classifications, was allowable in computing federal income taxes. For 1960, the difference between the book and tax figures amounts, in taxes, to 36¢ per share of Common Stock as compared with 42¢ in 1959.

As provided by the Internal Revenue Code, in computing federal income taxes the Company uses the declining balance method in determining the depreciation deduction on certain of its properties. For 1960 the difference between the tax figures and the book figures, which are computed on the straight line method as required by the Interstate Commerce Commission, amounts, in taxes, to 24¢ per share of Common Stock.

Net Railway Operating Income

Net railway operating income for 1960 was $36,107,599. This represents what was left of operating revenues after deduction of all operating expenses, taxes and equipment and joint facility rents, but before payment of interest and other fixed charges. In 1959, net railway operating income was $39,692,248.

Ratios

The ratios for 1960 for the several subdivisions of operating expenses, taxes and equipment and joint facility rents, expressed in the number of cents out of each dollar of revenue, are shown in this table and compared with corresponding ratios for the average for the five years 1956-60.

	1960	Average 1956-60
Transportation	32.8	32.2
Maintenance of Way	11.9	13.0
Maintenance of Equipment	17.2	17.1
Traffic Expenses	2.4	2.2
General Expenses	5.2	4.9
Incidental Expenses	0.5	0.6
Totals	70.0	70.0
Taxes	12.7	12.7
Equipment and Joint Facility Rents	3.5	2.3
Grand Totals	86.2	85.0

Fixed charges in 1960 were covered 3.55 times as compared with 3.82 times in 1959 and 2.32 times for Class I railroads in 1960.

There remained for capital and corporate needs, for fixed charges, maturities of debt and for the owners 13.8 cents out of each dollar of 1960 operating revenues, compared with 14.6 cents in 1959 and compared with 6.2¢ for Class I railroads in 1960.

Dividends

During 1960 dividends of 5% on the Preferred Stock were continued in the total amount of $3,000,000.

Dividends of 70¢ per share were declared on the Common Stock and paid for each quarter of 1960, bringing the total dividends paid in 1960 to $21,043,207.

A further dividend of 70¢ per share was declared on the Common Stock on January 24, 1961, out of surplus net earnings of 1960. This dividend was paid March 15, 1961, to stockholders of record February 15, 1961.

Operations

Operations were conducted with continued economy and efficiency in 1960. The recognized indices of performance show that Southern compares favorably with the leaders of the railroad industry.

The proportion of gross revenues carried through to net railway operating income before federal income taxes amounted to 19.4% in 1960 as compared with 22.8% in 1959 and 8.3% for Class I railroads in 1960.

Industrial Development

In the total number of projects as well as in total investment, 1960 was the best year since 1956 for industrial growth along our System lines. Industries have spent or are in process of spending $496,875,300 for 130 new plants, 68 large distribution warehouses and 174 major additions to existing establishments. It is estimated that these developments will produce additional annual System net revenue of $10,702,391 and create 16,800 new job opportunities in the area we serve.

Electric power generating facilities served by Southern are being further expanded. Carolina Power and Light Company is doubling the capacity of its Quaker Neck Plant near Goldsboro, North Carolina; installation of the fourth unit of Duke Power Company's Plant Allen at Belmont, North Carolina, has been completed and work has been begun on the fifth; Georgia Power Company has broken ground for its new Plant McDonough in the Atlanta area.

Growth in the pulp and paper industry continues with a substantial addition being made by Bowater Carolina Corporation of Catawba, South Carolina, which will include the installation of the first of two projected new paper machines in what is now exclusively a pulp mill. Paper-making is also included in the major expansion program, now under way, at the Brunswick, Georgia, plant of Brunswick Pulp and Paper Company which now produces woodpulp only.

Textiles continue to be one of the principal growing industries along our lines, with nearly $80,000,000 having been expended during 1960 for new and additional plant facilities for this industry. Included are new plants of Greenwood Mills at Ninety Six, Owens-Corning Fiberglas Corporation at Aiken, and additions to plants of Celanese Corporation at Celriver and Springs Cotton Mills at Fort Mill, Lancaster and Chester—all in South Carolina.

Another offset to the practice of U. S. industries making outlays for additional production facilities in Western Europe and other parts of the world can be found on our railway at Greenland, near Kingsport, Tennessee. Here, American-Saint Gobain Corporation, controlled by Compagnie de Saint Gobain headquartered in France, has under construction a new plant to produce plate glass, a large part of which will move to the furniture industry that is so well concentrated along our lines.

Extensive expansion and modernization projects are being progressed by both Republic Steel Corporation at Alabama City, Alabama, and the Tennessee Iron & Coal Division of U. S. Steel Corporation at Fairfield, Alabama.

Three important new chemicals plants are being established by the American Rubber and Chemical Company which is jointly owned by American Synthetic Rubber Corporation and Stauffer Chemical Company at Louisville, Kentucky; by Minnesota Mining and Manufacturing Company at Decatur, Alabama; and by Olin-Mathieson Chemical Corporation at Charleston, Tennessee.

The industrial categories just enumerated account for 83% of the investment made in manufacturing and distributing facilities during the year along the lines of our System with the remaining 17%, in excess of $85,000,000, being spent for increased production of a widely diversified group of items. Electrical equipment and appliances, food and beverages, containers, ceramics, petroleum products, tobacco products and furniture are the principal products for which expanded production facilities were provided.

Capital Improvements

Improvements to the Company's roadway plant with new and modern facilities added $13,535,000, gross, to the road property account in 1960.

The Company continued its program of welding all new rail, and extended this technique to some 200 miles of relay rail laid during the year. In this process individual rails are welded together into lengths of 1,443 feet, practically eliminating joints. This so-called "ribbon" rail has substantial inherent economies in extending life of rail and lessened maintenance requirements.

An outstanding example of the improved facilities Southern continues to install is the work begun in 1960 on a newly-developed multi-channel transistorized mi-

SOUTHERN RAILWAY (Continued)

crowave and two-way radio communications system to operate between Washington, D. C., and Atlanta, Ga., a distance of 637 miles. This system will replace Southern's telephone pole line between these two cities. The cost will be $5.3 million.

This new communications system will consist of 54 microwave stations and will be the largest such system privately owned in the United States. Work is expected to be completed during the latter part of 1961. For a number of years 134 miles of railway microwave communications have been in use on System lines in south Georgia and north Florida.

Substantially all of Southern's train and yard operations, as well as maintenance and construction activities, now depend on radio to make work safer and more efficient and to keep trains on schedule. The new microwave and two-way radio system is more reliable than pole lines which are vulnerable to snow, ice and heavy windstorms.

The microwave installation will also enable Southern to extend its infra-red hot-box detection system to further enhance the railway's safety program.

New Equipment

During the year 1960, the Company received and placed in service 912 freight cars consisting of:

- 530 Aluminum-Steel Gondola Cars
- 227 Aluminum-Steel Covered Hopper Cars
- 20 Steel Covered Hopper Cars
- 120 Cushion Underframe Box Cars
- 15 Automobile Parts Cars

The cost of these cars was $18,937,014, of which $4,046,-161 was paid from the Company's treasury. The remainder was financed through conditional sale agreements.

The Super-Cushion underframe cars listed, of which Southern now has 200, are representative of our determination to offer the kind of service to customers that will bring business back to the rails and increase business from present customers by eliminationg the need for expensive packaging costs and protecting shipments in transit.

Primarily intended for movement of fragile commodities these cars are equipped with a special hydraulic shock absorbing device that protects car and lading from coupling and other end shocks.

Southern sponsored the research from which this car type was developed combining the efforts of its own technical staff with those of a team of scientists from Franklin Institute, University of Pennsylvania.

One of the test results demonstrated in noteworthy style the effectiveness of the car in protecting lading. Similarly loaded box cars, one conventional and the other of this new type, were each loaded with 21,000 extra-fragile "throw-away" type bottles. Both cars were subject to the same "overspeed impact." Two thousand and ninety-six bottles were broken in the conventional car. Only 19 were broken in the Super-Cushion car.

All of the gondola cars and all but 20 of the covered hopper cars received in 1960 are of the new aluminum-steel type construction, affording greatly increased carrying capacity and freedom from corrosion. All of the cars purchased are equipped with roller bearings.

The Company also received and placed in service 3 Diesel-powered work cranes, needed for the purpose of handling heavier equipment, at a cost of $774,054, of which $161,370 was paid from the Company's treasury and the remainder financed through a conditional sale agreement.

The Company and its affiliates have invested in freight cars during the last 10 years $167,792,000. During this period the tonnage capacity of the System's fleet of freight cars has increased from 2,464,000 to 2,932,000, an increase of approximately 20%.

Equipment Obligations

Equipment obligations outstanding at the end of the year amounted to $74,832,256 as compared with $68,900,-410 at the end of 1959 and $72,063,337 at the end of 1958.

Installments of equipment debt payments due in 1961 are estimated to be $10,191,597. This will be more than offset—as to the effect on cash—by depreciation, exclusive of rapid amortization, chargeable to operating expenses in the amount of approximately $16,977,840.

New Rail

During 1960, 7,484 net tons of new rail were laid as compared with 25,085 net tons in 1959 and 25,877 net tons on the average over the period 1956 to 1960 inclusive. The Company has ordered 6,681 net tons of new rail for the year 1961. The exclusive use of welded rail for new installations together with improved maintenance techniques have reduced immediate need for new rail.

USE IN 1960 OF FINANCIAL RESOURCES

Cash Flow

At the beginning of the year, the Company had in cash and marketable securities $71,408,395. At the end of the year, this figure was $52,520,642, a decrease of $18,887,753.

During the year there was available for expenditure, after providing for operating expenses, a net income of $30,702,542. From the depreciation accruals there was available $16,329,294, from the proceeds of conditional sale contracts $16,765,391 and from other sources $18,-458,153. From all sources available cash was $82,255,380.

There was spent during the year from treasury cash for capital improvements to road and structures $14,469,-334. For new equipment and additions and betterments to equipment there was spent $24,623,601, and for equipment obligation installments $8,981,692. The excess of tax payments during the year over tax accruals, principally the federal income tax, required $11,144,708. The redemption of funded debt obligations of the Company required $2,071,493; the purchase of the stock of affiliated companies required $2,804,899 and advances to affiliated companies and others for the purchase of land to be held for industrial development, and for other purposes required $12,248,289. With the payment of $21,-045,771 in dividends and $3,753,346 for miscellaneous purposes, these expenditures from the Company's treasury totaled $101,143,133.

Net Funded Debt and Fixed Charges

The company's fixed charges, as defined by the Interstate Commerce Commission (less charges on the Company's bonds held by a subsidiary and income from securities of its Leasehold Estates owned by the Company), were at the annual rate of approximately $11,-951,000 on Dec. 31, 1960, as compared with $10,998,000 at the end of 1959.

The all-time high for the Company's fixed charges was approximately $18,000,000 in 1930, to be serviced out of gross revenues at that time of $118,868,608. The current figure of $11,951,000 not only shows a reduction of more than 30% from the all-time high of fixed charges, but the reduced amount is payable out of gross revenues which for the last 5 years have averaged $266,301,442.

The current net fixed charges are equivalent to 4.57% of the 1960 gross revenues, as compared with 4.04% in 1959 and 4.15% on the average over the five years 1956-1960.

The funded debt of the Company outstanding in the hands of the public at December 31, 1960, amounted to $147,971,000 as compared with $141,476,500 at the end of 1959 and $180,068,500 at the end of 1950. Payments and accruals for interest, rent for leased lines, Equipment Obligation maturities and Sinking Fund payments to be provided in the year 1961 amount to approximately $23,-951,000 as compared with $22,014,000 for the year 1960 and $22,656,155 on the average for the years 1956-60.

OF GENERAL INTEREST

Executive Vice President

On November 1, 1960, D. William Brosnan was elected Executive Vice President of Southern with jurisdiction over the Operating and Traffic Departments. The development of new operating techniques, volume rates and competitive pricing make essential the closest possible coordination between operations and traffic. Mr. Brosnan has had an outstanding record as head of our Operating Department for the past nine years and is especially qualified to bring together these two all-important functions in this new and fast-changing era of railroading. He has been a member of Southern's Board of Directors since 1954.

Republic Carloading

During the year the Company and its affiliates made a substantial investment in Republic Carloading and Distributing Co., Inc. The Company's investment, through its wholly-owned subsidiary, Georgia Industrial Realty Company, is $1,677,500.

Republic Carloading operates in 48 states and the District of Columbia. It has shown remarkable growth in recent years, gross revenues advancing from $17,239,129 to $46,317,359 over the period 1950 to 1959. The able management team of Republic, formerly owners of the company, have retained a substantial interest and will remain with Republic in their former positions thus providing continuity of effective operation for this rapidly expanding business.

Republic holds valuable franchises and operating rights not available to Southern both within the territory it serves, and outside that territory all over the United States. Through the close working relationship established by this substantial investment made by the Company and its affiliates, it is expected that the earnings of Republic, and of the Company and its affiliates who supply rail transportation to Republic, will be improved. We also will continue to work closely with other forwarders to increase the volume of this attractive traffic.

Coast Line-Seaboard Merger

Southern has intervened in the proceeding filed before the Interstate Commerce Commission seeking approval of the merger of the Atlantic Coast Line Railroad Company with the Seaboard Air Line Railroad Company. Our position is that if the Commission should approve the merger, it should impose conditions which would protect Southern from adverse consequences. To this end we have asked the Commission to require the merging roads to sell to the Company a line of railroad from Hardeeville, Ga., to Jacksonville and a line of railroad from Jacksonville to Tampa, and to accord free interchange to Southern at all gateways.

In addition, we have said to the Interstate Commerce Commission that in the public interest the merged Seaboard Coast Line Railroad Company should be required to divest itself of Atlantic Coast Line holdings amounting to control of the Louisville and Nashville Railroad Company.

Interstate Railroad

On October 6, 1960, an Interstate Commerce Commission Examiner issued a report recommending approval of our application for authority to acquire all of the stock of the Interstate Railroad Company. On February 24, 1961, the Examiner's report was approved by the Commission. It is anticipated that the transaction will be consummated at an early date.

Central of Georgia Railway Company

On August 11, 1960, the Company entered into a contract with the St. Louis-San Francisco Railway Company pursuant to which a 71% interest in the outstanding voting stock of the Central of Georgia Railway Company is to be acquired by Southern at a price of $22,655,000, subject to the approval of the Interstate Commerce Commission. At the special meeting held in Richmond, Virginia, on November 21, 1960, our stockholders approved the issuance of General Mortgage Bonds of the Company to provide funds for this purpose. Southern has also agreed to offer to other stockholders of the Central of Georgia a price per share equivalent to the price agreed upon with the Frisco upon approval of the Interstate Commerce Commission.

Central of Georgia Railway Company and its subsidiaries operate about 1,956 miles of railroad located almost entirely within the States of Georgia and Alabama. The main line extends from Savannah, through Macon, to Atlanta, Georgia. Segments of this line extend to Augusta and Athens, Georgia, and Chattanooga, Tennessee. Another line extends from Macon, Georgia, to Birmingham and Montgomery, Alabama, via Columbus, Georgia, and through Albany, Georgia, to Dothan, Alabama.

The lines of Central and Southern connect or interchange in Alabama at Birmingham and Childersburg, in Tennessee at Chattanooga, and in Georgia at Rome, Atlanta, Columbus, Fort Valley, Macon, Athens, Bremen, Griffin, Savannah and Augusta. It is believed that acquisition of control of Central of Georgia Railway Company will be of substantial benefit to both Companies.

Application was filed on December 15, 1960, with the Interstate Commerce Commission seeking approval of this acquisition. It is not possible at this time to say when the proceeding can be completed.

Containerized Freight-Piggyback Service

During the year we purchased stock in Trailer Train Company and entered into agreements with that company which assure a supply of cars for the movement of containers and trailers in piggyback operation. The rapid development of this type of movement on the railroads is one of the outstanding growth situations in transportation. While all of the problems have by no means been solved, Southern is moving into this method of operation in a substantial way and with every expectation of participating in this part of the business on a profitable basis.

Automobile Movement

An even greater growth was experienced during the year in a new technique for the movement of finished automobiles from the assembly plants to automobile dealers for sale to the public. The automobiles move in volume on special racks on the Trailer Train cars. This new method of operation provides substantial economies for the shipper. The interest in this movement over our lines in 1960 was very pronounced and it is anticipated that this method of handling will expand rapidly. This represents important traffic returning to the rails from the highways.

General Mortgage

At the special meeting of our stockholders held in Richmond, Virginia, November 21, 1960, approval was given to a new General Mortgage on the properties of the Company and the issuance of bonds under this mortgage, subject to the approval of the Interstate Commerce Commission, for the purpose of acquiring control of the Central of Georgia Railway Company, as mentioned above, and for other purposes. This new and flexible financing medium will be greatly beneficial to Southern from time to time in the acquisition of additional properties, the refinancing of outstanding obligations, the improvement and renewal of our road and equipment and for other purposes that may arise.

Rates and Fares

During 1960, we continued our efforts to encourage the movement of commerce, the development of industry in

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SOUTHERN RAILWAY (Concluded)

the South and, most of all, to establish and maintain railroad rates on a basis that would hold existing traffic to the railroads and regain traffic lost to trucks, barges and other competing modes of transportation.

Under Ex Parte 223, the ICC on October 20, 1960, approved the railroads' request for a very small general increase in freight rates. Southern felt constrained to join the other railroads in this request, but once more asserted its determination not to price itself out of the market and thereby reduce its net income. It is gratifying to observe that railroads generally are more and more joining Southern in this point of view.

Decisions of the ICC during 1960 indicate that the Commission is more inclined to permit railroads greater freedom of action in meeting ever-increasing competition from both private and regulated carriers.

During the year Southern established truck competitive rates on automobiles, and this step has effectively restored substantial traffic and revenue to the Company. Similar action on other commodities is planned for the coming year; and while in many cases rate "reductions" will be involved, it is confidently anticipated that they will produce additional revenue for your railway.

Divisions Case

Reference was made in last year's Report to the controversy pending before the Interstate Commerce Commission in which the Northern railroads seek increased proportions of the joint rates applying between Northern and Southern Territories.

The fifth and final hearing in this proceeding was concluded on February 13, 1961. The Examiner's report and recommendations may reasonably be expected before the end of the current year.

Coal

Coal continues to produce the largest tonnage of any one commodity handled by us and the total volume is increasing, due, principally, to the expansion of electric utility plants, the largest consumers of coal. In addition to expansion of existing facilities, last year two new electric utility plants were announced and construction was actually begun on one of them. All of these plants will burn coal. In addition to coal consumed by electric power utilities, a large tonnage continues to move to industrial plants and for domestic use.

To strengthen the competitive position of coal and encourage increased consumption, coal freight rates have been adjusted employing wider use of concentration rates, which are based on single shipments of volume lots, and utilizing our 100-ton capacity cars. These rates are tied to quick loading and unloading provisions, all of which result in the realization of greater net from coal revenues.

As the demand for increased energy output continues to grow, Southern is committed to a policy of keeping coal competitive with other fuels.

Labor Relations

During the year 1960 notices served by the employees in 1959 for increases in wages and fringe benefits were disposed of through national negotiations resulting in an increase in wages of 2% for operating employees and 5¢ per hour for non-operating employees, effective July 1, 1960. Benefits obtained by these employees resulted in increased cost of approximately $1,780,332 per annum for the Company. The settlement also provided for an additional 2% increase in wages for the operating employees, and for fringe benefits for non-operating employees in lieu of wage increases, effective March 1, 1961.

FINANCIAL STATEMENTS
Results for the Year

	In 1960	In 1959	In 1958
This Company received from freight, passenger and miscellaneous operations a total revenue of	$261,059,945	$271,881,449	$256,334,177
The cost of maintaining the property and of operating the railroad was	182,630,925	183,914,960	186,087,444
Leaving a balance from railroad operations of	$78,429,020	$87,966,489	$70,246,733
Federal, state and local taxes required	33,224,964	40,772,509	27,030,256
Leaving a balance of	$45,204,056	$47,193,980	$43,216,477
The Company paid to other companies for hire of equipment and use of joint facilities in excess of the amount received by it from those sources	9,096,457	7,501,732	5,740,315
Leaving an income from railway operations of	$36,107,599	$39,692,248	$37,476,162
Other income derived from investments in stocks and bonds and miscellaneous items was	7,580,042	6,038,092	5,443,762
Making a total income of	$43,637,641	$45,730,340	$42,919,924
Interest on funded debt and equipment obligations, rents paid for leased railroads and miscellaneous deductions totaled	12,985,099	12,603,596	12,665,693
Resulting in a net income of	$30,702,542	$33,126,744	$30,254,231

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Position at End of Year

ASSETS	On December 31, 1960	On December 31, 1959
Cash and special deposits	$18,218,836	$21,912,500
Temporary investments	30,065,240	44,773,259
Loans receivable	3,237,500	------
Miscellaneous accounts receivable	18,464,496	19,521,428
Material and supplies	7,418,822	8,586,691
Working fund advances, prepayments and other current assets	616,773	659,317
Current Assets	$78,021,667	$95,455,195
Sinking, capital and other reserve funds	189,017	158,085
Insurance and other funds	610,700	540,620
Investment in affiliated companies and others	113,645,039	104,903,031
Investment in road and equipment	825,331,683	799,712,469
Less: Depreciation, amortization, donations and grants, and acquisition adjustments	*181,477,442*	*173,722,398*
	$643,354,241	$625,990,071
Other assets and deferred charges	8,832,107	4,167,325
Total Assets	$845,152,771	$831,214,327
LIABILITIES		
Owed for materials, supplies, wages, balances to other railroad companies, interest, dividends and rents	$26,644,910	$25,993,807
Loans payable	3,237,500	------
Taxes accrued	22,419,629	31,605,203
Other current liabilities	1,427,302	1,606,583
Current Liabilities	$53,729,341	$59,205,593
Long-term debt	$235,996,217	$223,569,871
Casualty and other reserves	6,114,701	6,396,090
Other liabilities and deferred credits	6,201,735	5,934,249
Depreciation of road and equipment leased from other companies	7,051,780	7,052,866
Total Liabilities	$309,093,774	$302,158,669
SHAREHOLDERS' EQUITY CONSISTING OF:		
Capital Stock:		
Preferred	$60,000,000	$60,000,000
Common	128,446,300	129,569,330
Capital surplus	608,339	584,198
Retained Income:		
Appropriated	3,410,283	3,259,163
Unappropriated which is largely invested in the property	343,594,070	335,642,957
Total Shareholders' Equity	$536,053,997	$529,055,658
Liabilities and Shareholders' Equity	$845,152,771	$831,214,327

OUR CORPORATE CREED

To develop the territory and to foster faith in the South, its people and its opportunities;

To furnish safe, economical and adequate railroad transportation in the territory where the "Southern Serves the South";

To treat fairly the men and women whose work keeps the railroad going;

To pay a fair return to the owners of the property.

LETTER TO THE EDITOR:

Cortney Dissents With Johannsen on Gold

In claiming that a mint standard of value has both a weight and a purchasing power value, Mr. Cortney challenges Mr. Johannsen's understanding of standard of value. Moreover, Mr. Cortney avers that our huge monetization of government bonds and inflationary bank loans have destroyed the relationship of gold to prices, wages, bank notes and credit and, therefore, we must devalue gold in terms of all currencies to restore the normal relationship. He adds that the alternative to devaluing gold would mean facing price deflation, depression and further monetization of government debt and/or bank credit expansion.

Editor, Commercial and Financial Chronicle:

I read with great interest Mr. O. B. Johannsen's letter (Feb. 23, 1961) on the article "The Dollar versus Gold" by D. H. McLaughlin (Jan. 12, 1961).

It is in the essence of the gold standard that the government should not tamper with the standard of value. Hence Mr. Johannsen would be right if: (1) he wouldn't make a wrong assumption, and (2) if his understanding of the concept of "standard of value" were more comprehensive and not merely technical.

Philip Cortney

He states in his letter: "In view of the fact that the nation is presumed to be on an international gold bullion standard, this means that the dollar has been defined to be 1/35 of an ounce of fine gold." I notice that he himself is cautious in saying that our nation is "presumed" to be on an international gold bullion standard. The fact is that it is not true, and that we are not on an international gold bullion standard. To be on a gold standard of any sort there must be a free market for gold as a commodity because this is precisely the reason why gold has been chosen as a standard of value.

Now, as you well know, there is no free market for gold in the United States, and individuals are not free to hold any, either at home or abroad; neither can they import or export gold freely. Besides, our government is not redeeming its banks notes in gold as is mandatory under a gold standard system. We redeem only foreign dollar claims, and even then only those held by foreign central banks. By whatever name we may wish to call our monetary system, by no stretch of the imagination can we call it a gold standard system or an international gold bullion standard system.

Mr. Johannsen interprets the concept "standard of value" merely in its technical sense, which is that the dollar is defined to be 1/35 of an ounce of fine gold. Now, our standard of value has a weight and a value (purchasing power). Mr. Johannsen himself quotes Palgrave's "Dictionary of Political Economy" explanation of the "standard of value" as being "In comparing the values of different commodities, recourse is generally had to the expression of the value of each in terms of some one commodity chosen as a 'standard of reference'."

Stresses Purchasing Power

The gold weight parity of the gold standard is its technical aspect, **while the essence of it is the conformity of the purchasing power of the currency with the purchasing power of the standard of value.** The fact is that we have been tampering with the purchasing power of the standard of value. It has been artificially reduced by the huge monetizing of government bonds and inflationary bank loans during and after the war. Since 1939 we have multiplied our monetary means by nearly five times while our gold reserves are lower today than when the war started. In so doing we have made the purchasing power of gold conform to that of the paper dollar instead of the dollar conforming to the purchasing power of gold as would be normal in the case of a genuine gold standard system.

Mr. Johannsen, like many others, is reasoning as if we had been incessantly on a genuine gold standard since the beginning of World War II. If this had been the case, the purchasing power of gold would be extremely high. In a gold standard system there is a normal relationship between the stock of gold, its annual production, and the price level, wages, bank notes and credits. This normal relationship has been destroyed by the monetizing of government bonds and private inflationary credit, while maintaining a very limited convertibility of our currency into gold.

The gold parity of the dollar before the devaluation of 1933, which was 25.8 grains of 0.9 fine gold, was not chosen arbitrarily. The exchange value of gold in terms of all commodities was taken into account. If we had not injected in the monetary stream huge amounts of monetized government debt and private inflationary credit, the exchange value of gold in relation to other commodities would have remained as stable as it is possible under a genuine gold standard system.

Let us assume in fantasy that our government would fix the price of gold at $20 an ounce. Does Mr. Johannsen think that we could not maintain even the present limited convertibility of the dollar into gold?

Our problem today is first to put an end to inflation, and inflationary practices by labor and business, and then to return to a genuine international gold standard

system. After that, in order to return to a genuine international gold standard we would have to restore a normal relationship between our gold reserves, the annual production of gold, and our quantity of money and credit, prices and wages.

Favors Gold-Price Change

What do I mean by a normal relationship between these various factors? It is the kind of relationship we would have had if we hadn't injected into our monetary system huge amounts of paper money which were a result of monetizing government debt and of private inflationary credit. This can be done only by a change in the price of gold if we are to avoid a serious slump in prices and a depression.

If we do not restore the gold standard and the normal relationship between gold and commodities just discussed we can prolong the present situation only by further monetizing of government debt and/or further enlarged expansion of bank credit. A continuation of inflation by way of monetizing of government debt is not possible because the European countries have become very weary of inflation, and we cannot any more disregard the movement of prices there. We experimented with the use of bank credit to prolong an abnormal situation similar to the present one after World War I, and it brought us the Great Depression.

We can and we should return to an international gold standard. This can be done only if: (a) the government shows a clear determination and willingness to put an end to inflation and inflationary practices, and (b) if we change the price of gold in terms of all currencies.

Be it said in passing, in an international gold standard system we have to make certain that the overall gold liquidity of the free countries is adequate.

If we should attempt a return to the gold standard without an increase in the price of gold we would have a fall in prices and a depression, and the gold standard would break down once more.

Sincerely,
PHILIP CORTNEY
Economist & President, Coty, Inc.
423 West 55th Street,
New York 19, N. Y.

Knapp & Tubbs Stock Offered

Roman & Johnson heads an underwriting group which offered on April 5, 150,000 shares of common stock of Knapp & Tubbs, Inc. at a price of $4 per share.

This offering does not represent new financing by the company. The shares are already outstanding and are being sold for certain shareholders.

Knapp & Tubbs, Inc., organized in 1908, is engaged in selling at wholesale fine quality, distinctive home furniture and interior decorative furnishings and art objects. The company has its main offices and principal showroom in the Merchandise Mart, Chicago, Ill., and showrooms in Los Angeles and San Francisco located in the heart of the wholesale furniture and interior decorating districts. All furniture and furnishings are consigned to Knapp & Tubbs at its showrooms by the manufacturers. Accordingly, the company does not maintain an inventory of goods offered for sale.

In the six months ended Dec. 31, 1960, the company had net sales of $1,155,141. Outstanding capitalization of the company as of March 22, 1961 consisted of 240,000 shares of common stock.

Marine Capital Stock Marketed

An underwriting group headed by Paine, Webber, Jackson & Curtis made an initial public offering on April 5 of 667,000 shares of common stock of Marine Capital Corp. at $15 per share. Proceeds of the sale will be used to finance the company's small business investment activities and to retire $150,000 in outstanding debt.

Marine Capital Corp., incorporated in December, 1959, was organized by the Marine Corp., a bank holding company with six constituent banks, organized under the laws of the state of Wisconsin. Marine Capital is registered as a closed-end, non-diversified management investment company. Its business is to provide capital for selected small business concerns by purchasing their equity securities (including convertible debentures or debentures with warrants or options), by making long-term loans to such concerns, and by furnishing consulting and advisory services to them on a fee basis.

To date the company has invested an aggregate of $180,000 in equity securities of four small business concerns, including manufacturers of musical instruments, stereophonic headphones and electronic components, packaging materials and machinery and canvas products. These investments to date yield an interest return of from 7½ to 8%. The company presently has on file for consideration applications for financial assistance to several small business concerns.

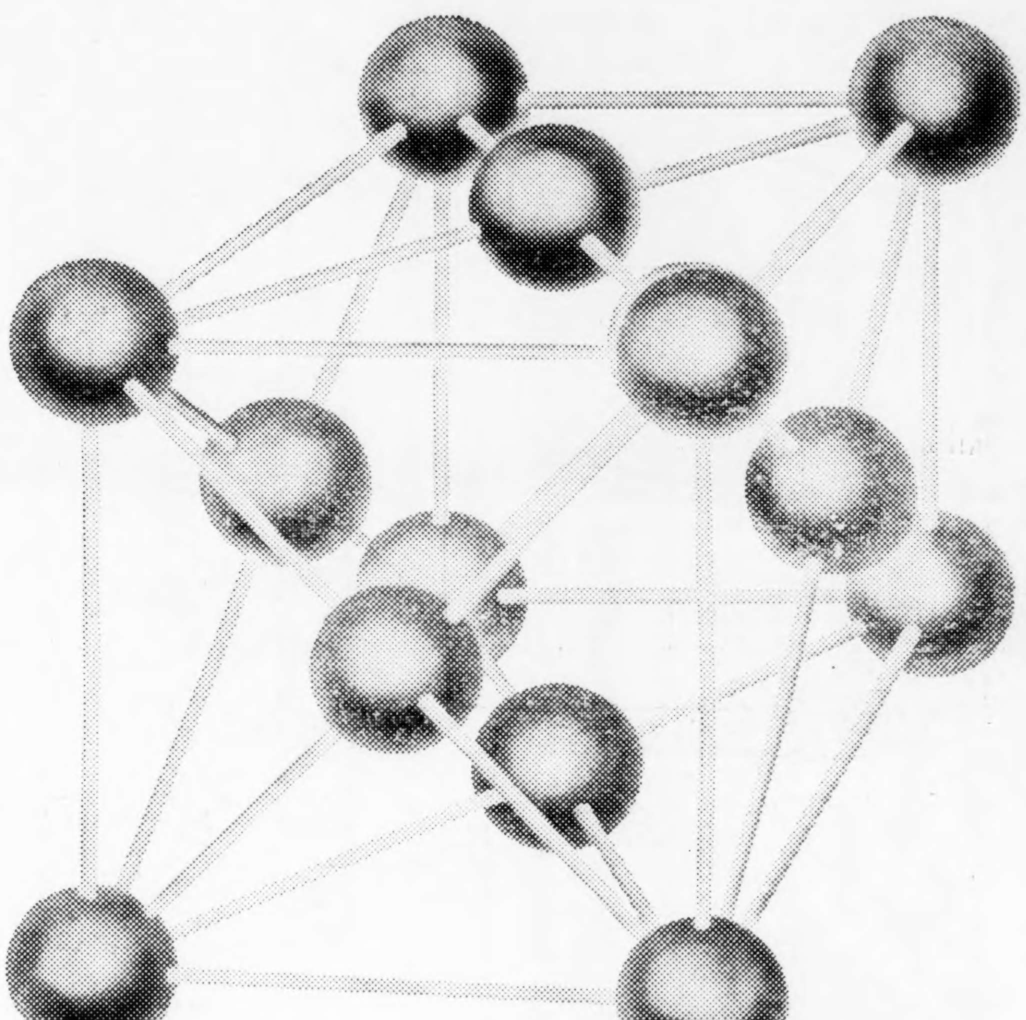
Capitalization of the company as of Jan. 31, 1961, adjusted to give effect to the offering, include no debt and a maximum of 730,525 shares of common stock, $1 par value.

Jet-Aero Corp. Stock Offered

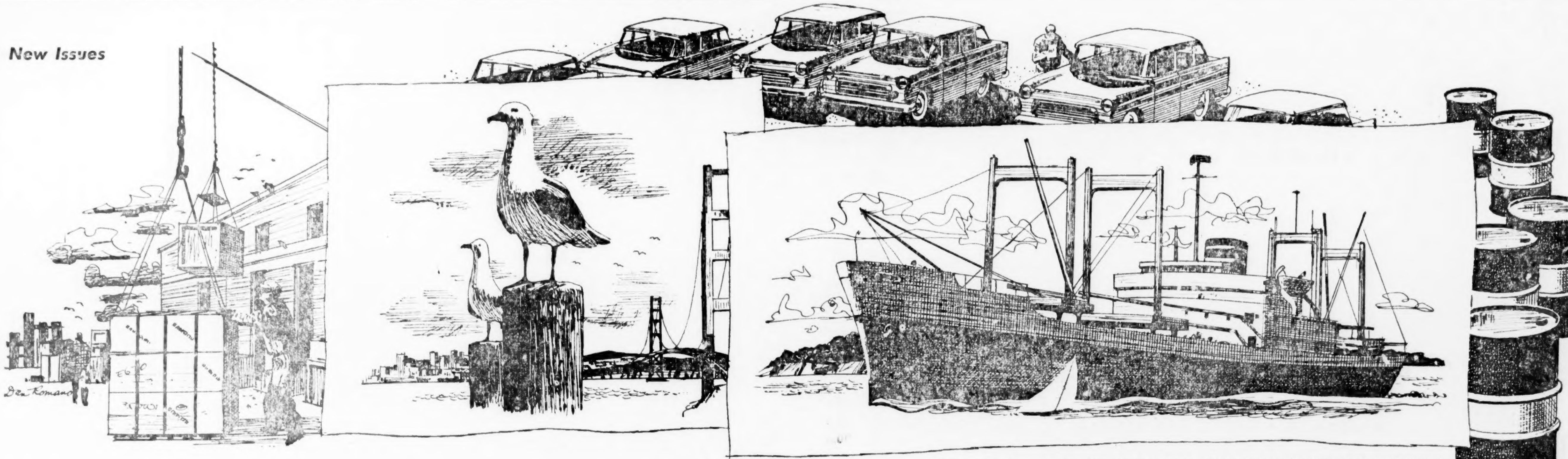
Pursuant to a March 23 offering circular, Netherlands Securities Co., 30 Broad St., New York 4, N. Y., publicly offered 100,000 shares of the 10 cent par common stock of Jet-Aero Corp., of 950 S. E. 8th St., Hialeah, Fla.

The company is engaged principally in designing, engineering, manufacturing, fabricating, selling, servicing and repairing replacement parts used in exhaust systems of piston-powered aircraft and in thrust reverser and sound suppressor sections of jet aircraft. The company also designs, manufactures, fabricates and sells other replacement parts for aircraft, such as baffles used on engines, as well as parts for power recovery turbine units of the turbo-compound aircraft engine, such as supports, flanges, bushings, and other detailed parts used in the shield sections.

The proceeds will be used for general corporate purposes, including working capital, debt reduction, machinery and equipment, inventory, research and development, and advertising and promotion.



New Issues



WORLD TRADE—A MAJOR ECONOMIC ASSET TO DIVERSIFIED CALIFORNIA

$190,000,000 STATE OF CALIFORNIA

5%, 3¾%, 3¼%, 3½% and 4% Veterans' and State Construction Program Bonds

Payment and Registration

Principal and semi-annual interest (February 1 and August 1 for the Veterans' Bonds and January 1 and July 1 for the State Construction Program Bonds) payable, at the option of the holder, at the office of the Treasurer of the State of California in Sacramento, California, or at the office of any duly authorized agent of the State Treasurer, including the agent of the State Treasurer in New York, N. Y. First coupon on the State Construction Program Bonds payable January 1, 1962. Coupon bonds in denomination of $1,000 registrable only as to both principal and interest.

Redemption Provision

Veterans' Bonds maturing on and after August 1, 1982, are subject to redemption at the option of the State, as a whole or in part, on August 1, 1981, (but not prior thereto) and on any interest payment date thereafter, at the principal amount thereof and accrued interest thereon to date of redemption. State Construction Program Bonds maturing on and after July 1, 1982, are subject to redemption at the option of the State, as a whole or in part, on July 1, 1981, (but not prior thereto) and on any interest payment date thereafter, at the principal amount thereof and accrued interest thereon to date of redemption. Publication of notice of redemption shall be once a week for two successive weeks not less than 30 days nor more than 90 days prior to said date of redemption, in each of the Cities of San Francisco, Sacramento, and Los Angeles, California. If less than all the bonds should be redeemed, they shall be called in inverse numerical order, the part so called not less than all the bonds maturing in any one year.

Tax Exemption

In the opinion of counsel, interest payable by the State upon its bonds is exempt from all present Federal and State of California personal income taxes under existing statutes, regulations and court decisions.

Legality for Investment

We believe these bonds will meet the requirements as legal investments for savings banks and trust funds in New York, California and certain other states and for savings banks in Massachusetts and Connecticut and will be eligible as security for deposits of public moneys in California.

Purpose and Security

Veterans' Bonds, issued under the Veterans' Bond Act of 1960 (Article 5h, Chapter 6, Division 4, Military and Veterans Code, Statutes First Extraordinary Session 1960, Chapter 50) for Veterans purposes, in the opinion of counsel are general obligations of the State of California payable in accordance with the Veterans' Bond Act of 1960 out of the General Fund of the State. The full faith and credit of the State of California are pledged for the punctual payment of both principal and interest. The bonds were authorized by the electorate on June 7, 1960, for the purpose of assisting California war veterans to acquire farms and homes, the cost of which must be repaid to the State on an amortized purchase basis.

State Construction Program Bonds, issued under the State Construction Program Bond Act of 1958 (Statutes First Extraordinary Session 1958, Chapter 88) and Section 19.5 of Article XVI of the Constitution of the State of California, for various construction program purposes, in the opinion of counsel are general obligations of the State of California payable in accordance with the State Construction Program Bond Act of 1958 out of the General Fund of the State. The full faith and credit of the State

ISSUES, AMOUNTS, RATES, MATURITIES AND YIELDS OR PRICES

(Accrued interest to be added)

$140,000,000
5%, 3¾%, 3¼%, 3½% and 4%
Veterans' Bonds
Act of 1960, Series AA

Dated: Feb. 1, 1961
Due: Aug. 1, 1962-86, incl.

$50,000,000
5%, 3¼%, 3½%, 3¾% and 4%
State Construction Program Bonds
Act of 1958, Series E

Dated: April 1, 1961
Due: July 1, 1962-86, incl.

$140,000,000 Veterans' Bonds	$50,000,000 Construction Bonds	Coupon Rate	Due	Yield or Price
$3,600,000	$1,600,000	5%	1962	1.70%
3,600,000	1,600,000	5	1963	2.00%
3,600,000	1,600,000	5	1964	2.25%
4,200,000	1,600,000	5	1965	2.50%
4,200,000	1,600,000	5	1966	2.70%
4,200,000	1,800,000	5	1967	2.85%
4,500,000	1,800,000	3¼-3¾†	1968	3.00%
4,500,000	1,800,000	3¼	1969	3.10%
4,500,000	1,800,000	3¼	1970	3.20%
4,800,000	1,800,000	3¼	1971	100
4,800,000	2,000,000	3¼	1972	3.35%
4,800,000	2,000,000	3½	1973	3.45%
5,600,000	2,000,000	3½	1974	100
5,600,000	2,000,000	3½	1975	3.60%
5,600,000	2,000,000	3¾	1976	3.70%
6,500,000	2,200,000	3¾	1977	100
6,500,000	2,200,000	3¾	1978	3.80%
6,500,000	2,200,000	3¾	1979	3.85%
7,000,000	2,200,000	4	1980	3.90%
7,000,000	2,200,000	4	1981	3.90%
7,000,000*	2,400,000‡	4	1982	100½
7,000,000*	2,400,000‡	4	1983	100½

State Construction Program Bonds, issued under the State Construction Program Bond Act of 1958 (Statutes First Extraordinary Session 1958, Chapter 88) and Section 19.5 of Article XVI of the Constitution of the State of California, for various construction program purposes, in the opinion of counsel are general obligations of the State of California payable in accordance with the State Construction Program Bond Act of 1958 out of the General Fund of the State. The full faith and credit of the State of California are pledged for the punctual payment of both principal and interest. The bonds were authorized by the electorate on November 4, 1958, for the purpose of providing the necessary funds to meet the major building construction, equipment and site acquisition needs for the departments of the State Government which are financed primarily from general revenues rather than from special funds.

Tax Gain, Amortization of Premium

These bonds will be initially issued by the State of California at not less than their par value, and a taxable gain may accrue on bonds purchased at a discount. Investors are required under existing regulations to amortize any premium paid thereon.

Legal Opinion

These bonds are offered when, as and if issued and received by the underwriters listed below, as well as other underwriters not shown whose names will be furnished on request, and subject to approval of legality by The Honorable Stanley Mosk, Attorney General of the State of California, and by Messrs. Orrick, Dahlquist, Herrington & Sutcliffe, Attorneys, San Francisco, California, a copy of whose legal opinions will be printed on each bond.

6,500,000	2,200,000	$3\frac{3}{4}$	[illegible]	[illegible]
7,000,000	2,200,000	4	1980	3.90%
7,000,000	2,200,000	4	1981	3.90%
7,000,000*	2,400,000‡	4	1982	$100\frac{1}{2}$
7,800,000*	2,400,000‡	4	1983	$100\frac{1}{2}$
7,800,000*	2,400,000‡	4	1984	$100\frac{1}{2}$
7,800,000*	2,400,000‡	4	1985	$100\frac{1}{2}$
8,000,000*	2,400,000‡	4	1986	$100\frac{1}{2}$

†1968 maturity includes $3\frac{3}{4}$% Veterans' Bonds and $3\frac{1}{4}$% State Construction Program Bonds.

*Veterans' Bonds maturing 1982-86, incl., subject to call at par, plus accrued interest, on and after August 1, 1981, as described herein.

‡State Construction Program Bonds maturing 1982-86, incl., subject to call at par, plus accrued interest, on and after July 1, 1981, as described herein.

Bank of America N. T. & S. A. · Bankers Trust Company · The Chase Manhattan Bank · The First National City Bank of New York · The First National Bank of Chicago · Halsey, Stuart & Co. Inc. · Blyth & Co., Inc. · The First Boston Corporation

Harriman Ripley & Co. Incorporated · Harris Trust and Savings Bank · Smith, Barney & Co. Incorporated · Wells Fargo Bank American Trust Company · Security First National Bank · United California Bank · Drexel & Co. · Glore, Forgan & Co.

Chemical Bank New York Trust Company · C. J. Devine & Co. · Continental Illinois National Bank and Trust Company of Chicago · The Northern Trust Company · Crocker-Anglo National Bank · R. H. Moulton & Company · Goldman, Sachs & Co. · Kidder, Peabody & Co.

Eastman Dillon, Union Securities & Co. · Bear, Stearns & Co. · Merrill Lynch, Pierce, Fenner & Smith Incorporated · Dean Witter & Co. · White, Weld & Co. · Blair & Co. Incorporated · Weeden & Co. Incorporated · The First National Bank of Boston

The First National Bank of Oregon · The Philadelphia National Bank · Seattle-First National Bank · Equitable Securities Corporation · Stone & Webster Securities Corporation · Phelps, Fenn & Co. · Salomon Brothers & Hutzler · R. W. Pressprich & Co.

Paine, Webber, Jackson & Curtis · Mercantile Trust Company · Shields & Company · Reynolds & Co. · J. Barth & Co. · Ladenburg, Thalmann & Co. · John Nuveen & Co. (Incorporated) · William R. Staats & Co. · Hornblower & Weeks

Wertheim & Co. · Hayden, Stone & Co. · A. C. Allyn and Company Incorporated · First Western Bank and Trust Company San Francisco, Calif. · E. F. Hutton & Co. Incorporated · Carl M. Loeb, Rhoades & Co. · Shearson, Hammill & Co. · Ira Haupt & Co. · Alex. Brown & Sons

American Securities Corporation · James A. Andrews & Co. Incorporated · Bache & Co. · Bacon, Whipple & Co. · A. G. Becker & Co. Incorporated · Branch Banking & Trust Company · Braun, Bosworth & Co. Incorporated · Clark, Dodge & Co. Incorporated · Dick & Merle-Smith

Dominick & Dominick · Fidelity Union Trust Company Newark, N. J. · First of Michigan Corporation · Gregory & Sons · Hallgarten & Co. · Hemphill, Noyes & Co. · W. E. Hutton & Co. · Laidlaw & Co. · Lee Higginson Corporation

W. H. Morton & Co. Incorporated · F. S. Moseley & Co. · National State Bank of Newark · Roosevelt & Cross Incorporated · L. F. Rothschild & Co. · Stone & Youngberg · Stroud & Company Incorporated · Taylor and Company · B. J. Van Ingen & Co. Inc.

G. H. Walker & Co. · Adams, McEntee & Co., Inc. · Barr Brothers & Co. · J. C. Bradford & Co. · Coffin & Burr Incorporated · F. W. Craigie & Co. · Francis I. duPont & Co. · Estabrook & Co. · First Southwest Company · Fitzpatrick, Sullivan & Co.

Kean, Taylor & Co. · The Marine Trust Company of Western New York · The National City Bank of Cleveland · Paribas Corporation · Wm. E. Pollock & Co., Inc. · Schwabacher & Co. · Trust Company of Georgia · Tucker, Anthony & R. L. Day

Wachovia Bank and Trust Company · Wood, Struthers & Co. · Anderson & Strudwick · Bacon, Stevenson & Co. · Baker, Watts & Co. · Baxter & Company · The Boatmen's National Bank of St. Louis · C. F. Childs and Company Incorporated

City National Bank & Trust Company Kansas City, Mo. · Commerce Trust Company Kansas City, Mo. · Davis, Skaggs & Co. · Dempsey-Tegeler & Co. · R. S. Dickson & Company Incorporated · A. G. Edwards & Sons · Eldredge & Co. Incorporated · First National Bank in Dallas

Geo. B. Gibbons & Company Incorporated · Goodbody & Co. · Hirsch & Co. · J. A. Hogle & Co. · The Illinois Company Incorporated · A. M. Kidder & Co., Inc. · Lawson, Levy, Williams & Stern · Irving Lundborg & Co. · Mason-Hagan, Inc.

Mercantile-Safe Deposit and Trust Company · Rand & Co. · Republic National Bank of Dallas · Shuman, Agnew & Co. · F. S. Smithers & Co. · Stern Brothers & Co. · Spencer Trask & Co. · Chas. E. Weigold & Co. Incorporated · J. C. Wheat & Co.

Robert W. Baird & Co. Incorporated · William Blair & Company · Blunt Ellis & Simmons · Bramhall, Falion & Co., Inc. · I. L. Brooks & Co. Incorporated · Elworthy & Co. · Fahnestock & Co. · The First Cleveland Corporation · First National Bank in St. Louis

Hannahs, Ballin & Lee · Henry Harris & Sons Incorporated · Industrial National Bank of Providence · Kalman & Company, Inc. · Kenower, MacArthur & Co. · King, Quirk & Co. Incorporated · Mercantile National Bank at Dallas

The National Bank of Commerce of Seattle · Newhard, Cook & Co. · New York Hanseatic Corporation · The Ohio Company · Rauscher, Pierce & Co., Inc. · The Robinson-Humphrey Company, Inc. · Tripp & Co., Inc. · Van Alstyne, Noel & Co.

Wells & Christensen Incorporated · R. D. White & Company · The White-Phillips Company, Inc. · J. R. Williston & Beane · Robert Winthrop & Co. · Barret, Fitch, North & Co. Incorporated · Brush, Slocumb & Co., Inc. · Julien Collins & Company

Dreyfus & Co. · Fahey, Clark & Co. · Federation Bank and Trust Co. · Field, Richards & Co. · The First National Bank of Birmingham · The First National Bank of Memphis · The Fort Worth National Bank · Hill Richards & Co. Incorporated

J. B. Hanauer & Co. · Hayden, Miller & Co. · Lyons & Shafto Incorporated · McDonald & Company · Wm. J. Mericka & Co., Inc. · Merrill, Turben & Co., Inc. · Model, Roland & Stone · Mullaney, Wells & Company · Park, Ryan, Inc.

Reinholdt & Gardner · Seasongood & Mayer · Herbert J. Sims & Co., Inc. · Stern, Lauer & Co. · Third National Bank Nashville, Tenn. · Wood, Gundy & Co., Inc. · Zahner and Company · Auchincloss, Parker & Redpath · Bartow Leeds & Co.

Boettcher and Company · Bosworth, Sullivan & Company, Inc. · City National Bank and Trust Company of Chicago · John W. Clarke & Co. · Courts & Co. · Cruttenden, Podesta & Co. · Curtiss, House & Company · J. M. Dain & Co., Inc.

Dallas Union Securities Co., Inc. · Dittmar & Company, Inc. · Ellis & Company · Ernst & Company · First National Bank of Minneapolis · The First National Bank of Saint Paul · Freeman & Company · Ginther & Company · Granbery, Marache & Co.

Green, Ellis & Anderson · Hooker & Fay, Inc. · Hutchinson, Shockey & Co. · Laird, Bissell & Meeds · John C. Legg & Company · A. E. Masten & Company · McCormick & Co. · McDonnell & Co. Incorporated · The Milwaukee Company

Moore, Leonard & Lynch · Newburger, Loeb & Co. · Northwestern National Bank of Minneapolis · Putnam & Co. · Rafensperger, Hughes & Co. Incorporated · Rippel & Co. · Rotan, Mosle & Co. · Russ & Company Incorporated · Schmidt, Roberts & Parke

Sterne, Agee & Leach · Stern, Frank, Meyer & Fox · Stockyards National Bank · J. S. Strauss & Co. · Suplee, Yeatman, Mosley Co. Incorporated · Townsend, Dabney & Tyson · M. B. Vick & Company · Winslow, Cohu & Stetson Incorporated

April 6, 1961

A circular relating to these bonds may be obtained from any of the above underwriters, as well as other underwriters not shown whose names will be furnished on request.

MUTUAL FUNDS

BY ROBERT E. RICH

Only in America!

The typical mutual fund, understandably, is much given to citing the growth of total assets, sometimes even to the annoyance of stockholders, whose primary interest is the worth of each share. Of course, growth of total assets is a matter of cheer to both management and shareholders when the rise is due, in the main, to an upsurge in the underlying stocks of the portfolio.

But when stocks in that portfolio, on balance, are in decline and corporate reports highlight growth of total assets, arising largely from new sales of the fund's shares, the achievement is of scant interest to the shareowners. In recent months, fund portfolios have been battening on a combination of rising values and new customers. If the market continues its upsurge and the customers arrive, the billion-dollar fund may become a commonplace in a field that calculates its assets at around $19 billion.

It was only last week that Kansas City's United Funds, Inc. announced its assets had topped the lofty billion-dollar figure. Members of this group are United Accumulative Fund, which is crowing the half-billion mark by itself; United Income Fund, with better than $300,000,000; United Science Fund, over $175,000,000 and United Continental Fund, with a respectable $51,000,000-odd portfolio.

In attaining the billionaire status, United Funds joined a select circle that includes Investors Mutual, Massachusetts Investors Trust and Wellington Fund. Even as these four funds modestly cite their pre-eminence in a field where the eminent is the common place, there are people who are seriously concerned about the problems of size.

While it is axiomatic that it costs little more to run a big fund than a small one, there is some feeling that at a time when worthwhile stocks are in short supply, outsize investment companies may find they've bitten off more than they can chew.

Conceivably, a fund could be so successful that it would attract unexpected millions of dollars from investors. And to add to this curious bonanza, it might have many more millions at its disposal, stemming from sales of holdings that management felt had reached unwarranted levels.

Make no mistake about it: funds are growing far faster than most people, in and out of the trade, had foreseen; stock values are climbing much faster than most people had expected, and many fund managers are nearly as prominent on the sell side as in buying.

Cameron K. Reed, the President and Founder of this 20-year-old newcomer to the ranks of the billionaires, has no difficulty in recalling that United was launched before Pearl Harbor with a mere $123,000. So at least he demonstrated an ability to overcome smallness. But how big does a fund have to get before it's a problem?

"We honestly don't know," says he. "We certainly don't think $1 billion is too large, nor do we think that $2 billion or $3 billion necessarily will be."

Still, a man could hardly be blamed for being concerned over the task of investing and re-investing, or for that matter just idling, billions of dollars. And if he has sleepless nights in a rising market, his nightmares could be dreadful when the market takes the bumps.

At the moment, the bull fever grips Wall Street. This accounts, in large measure, for the rise in the combined assets of the 160 fund members of the National Association of Investment Companies to around $19 billion in February. The figure was $18 billion at the end of January and under $15.4 billion at the end of February, 1960.

Investors purchased $213,000,000 of fund shares in February, off from the record-breaking first month of this year, when the total was $243,414,000. Redemption of shares totaled $107,000,000 in February and $100,000,000 in January. From present indications then, it would appear that a lot of investment managers are just going to have to cope with a golden flow that promises to get even richer.

As Harry Golden might say: "Only in America!"

The Funds Report

American Business Shares, Inc. reports that at Feb. 28, marking three months of the new fiscal year, net assets were $27,272,048, equal to $4.50 a share. This compares with $25,363,096, or $4.24 a share, on Nov. 30, 1960, end of the last fiscal year. In the period the company added Chrysler to its investments and the bonds of Tampa Electric and Washington Gas Light were eliminated.

* * *

Axe-Houghton Fund B shareholders will receive a second quarter dividend of 6 cents a share from investment income. It will be paid April 28 to shareholders of record April 7. Including this dividend, payments to shareholders for the first half of the 1960-61 fiscal year will amount to 12 cents a share from investment income and 4 cents a share from net security profits. The same amounts were paid by the fund in the first half of the 1959-60 fiscal year.

* * *

The per share value of **Canada General Fund Limited** increased by 13.7% in the three months ended Feb. 28, the end of the American-sponsored fund's second quarter. On that date, the shares were valued at $14.83, compared with $13.04 three months earlier and $13.10 at the end of the corresponding period last year. Total net assets rose by 7% during this period to $75,879,832 from $71,055,510. A year earlier, the fund had assets of $81,076,801.

* * *

Channing Service Corp., through its acquisition of the net assets and business of Hare's Ltd., has become national distributor of the Institutional, Managed, and Canadian International Growth Funds, a group of 11 mutual funds with more than 100,000 shareowners and total assets of $280,000,000. The effect of the merger is to consolidate two of the principal operating subsidiaries of Channing Corp., a holding and operating company with financial and insurance divisions. Samuel R. Campbell, Jr., president of Channing Service, said in his announcement:

"The merger of executive talents and facilities into a single organization is intended to further our growth in the rapidly-expanding field of financial planning services. The Institutional, Managed, and CIGF Funds will be distributed by Channing Service Corporation through two principal sources—King Merritt & Co., Inc. and other broker dealers. The Merritt firm, another Channing Corp. subsidiary, is primarily engaged in selling at the retail level through its 2,600-man organization."

* * *

Federated Growth Fund reports for six months ended Feb. 28 a rise in per share value to $14.55, against $13.47 at the end of February, 1960. At latest report its five largest holdings were Texas Instruments, G. D. Searle & Co., Lockheed Aircraft, Polaroid and Sperry Rand.

* * *

Net asset value per share of **International Resources Fund** rose from $4.91 at Nov. 30, 1960 to $5.45 at Feb. 28, 1961, it was stated by President Coleman W. Morton in his report to the shareholders for the first quarter of fiscal 1961. During the quarter, total net assets increased from $15,905,674 to $18,490,684 and shares outstanding rose from 3,241,807 to 3,391,311.

Additions to the portfolio during the latest quarter included Bowling Centres, Ltd., Chicago Musical Instrument, Consolidated Cigar Corp., Kansai Electric Power Co., Inc., Komatsu Manufacturing Co., Ltd., Manpower, Inc., Mead Johnson & Co., National Propane Corp., Pioneer Finance Co., and G. D. Searle & Co.

* * *

Investment Trust of Boston reports that at Feb. 28 net assets amounted to $71,447,479, equal to $12.43 a share. This compares with $60,836,905 and $11.13 a share at the end of February, 1960.

* * *

On Feb. 28 total net assets of **Massachusetts Investors Growth Stock Fund, Inc.** were put at $464,687,456, equal to $16.78 a share. On Feb. 29, 1960, assets per share amounted to $13.83.

* * *

The election of an entirely new slate of officers and directors was announced by the **B. C. Morton Fund, Inc.**, an open-end investment company formerly known a Lone Star Fund, Inc.

The fund recently underwent a change in name when its investment advisory firm, All States Management Co., and national distribution came under the control of the B. C. Morton Organization, a mutual fund retailing company with 77 offices throughout the nation.

The mutual fund consists of three series of shares—growth, income and insurance.

Its new officers and directors include:

President and Director—Bernard Carver, President of the B. C. Morton Organization and All States Management Co.

Vice-President and Director—Morton W. Goldberg, Board Chairman of the B. C. Morton Organization and All States Management Co.

Vice-President — Howard Sloman, Executive Vice-President of All States Management Co.

Secretary — James V. Doolin, house counsel for the Morton Organization and Secretary of All States Management.

Treasurer and Director — Jack Flotkin, Comptroller of the Morton Organization and Treasurer of All States Management.

* * *

Puritan Fund, one of the **Fidelity Management Group** of mutual funds, declared a quarterly income dividend of 9 cents per share, payable April 25 to shareholders of record April 5.

* * *

Shares in American Industry, Inc. reports net assets have crossed the $1,000,000 mark. The fund, which began business on Dec. 1, 1959, had net assets of $304,000 on Dec. 31, 1960. Net asset value a share, which was $11.04 at the close of last year, reached $15.13 on March 27.

Albert Frank Honors Pioneers

The officers and directors of Albert Frank-Guenther Law, Inc., national advertising and public relations agency, April 4, played host at a dinner at The Carlton House to 21 "pioneer" employees who have been with the company since it merged into its present corporate structure in 1932.

The combined service of these 21 employees with AF-GL and its predecessor companies adds up to a total of 882 years. The oldest in line of continuous service has 65 years and the youngest 30 years.

Albert Frank-Guenther Law, Inc. resulted from a merger in 1932 of Albert Frank & Co., Inc., founded in 1872, and Rudolph Guenther-Russell Law, Inc., formed in 1919.

Rudolph Guenther, one of those honored, started an advertising business under his own name in New York in 1907. The late Russell Law also founded an advertising agency in New York under his name in 1914. It was these two businesses that became Rudolph Guenther-Russell Law, Inc. upon completion of a merger in 1919.

Mr. Guenther, who is in his 90th year, is still active in the business. He is a former Board Chairman of AF-GL and continues as a Director.

Albert Frank-Guenther Law, Inc., now in its 90th year, is believed to be the second oldest advertising agency in the country. Today AF-GL has more than 200 employees, maintains headquarters in its own buildings at 131 Cedar Street, New York City, and has branch offices in Boston, Philadelphia, Chicago, San Francisco and Los Angeles.

Tenn. Gas Trans. Stock Marketed

Stone & Webster Securities Corporation and White, Weld & Co. are joint managers of a group which offered publicly on April 5 200,000 shares of 5.24% cumulative preferred stock, par value $100, of Tennessee Gas Transmission Co. at $100 per share.

Proceeds from the sale will be applied to the retirement of short-term notes which were used for properties expansion.

The new preferred stock will be redeemable at the option of the company at prices from $105.25 to $100. A sinking fund provides for the retirement of the stock annually beginning with the 12 months period ending Oct. 1, 1967.

Tennessee Gas Transmission sells or delivers gas to distributing companies primarily in the Eastern United States. The company's principal customers comprise the systems of The Columbia Gas System, Inc. and Consolidated Natural Gas Co., which accounted during 1960 for approximately 46% of company deliveries. Tennessee's multiple-line natural gas transmission system, beginning in gas producing areas of Texas and Louisiana, extends to the north-eastern section of the United States, and includes 11,183 miles of pipe lines, including 44 principal compressor stations having an aggregate of 775,990 horsepower. The design delivery capacity of the system on Dec. 31, 1960 was approximately 2.543 million cubic feet per day and 2,940 million cubic feet per day on peak days by withdrawal of gas from underground storage.

Subsidiaries of the company include Tenneco Corp. which is engaged directly and through wholly-owned subsidiaries in exploration for, producing, processing, refining and marketing of petroleum and petroleum products. Wholly-owned subsidiaries of Tenneco own and operate real

estate and engage in the life, health and accident insurance business. Tenneco is also engaged in other non-pipeline segments of Tennessee Gas Transmission's business.

Other subsidiaries include Midwestern Gas Transmission Co. which owns and operates two pipe line systems totalling 902 miles with a total delivery capacity of 560 million cubic feet per day, and East Tennessee Natural Gas Co., owning and operating a 778 mile pipe line system in the state of Tennessee.

Operating revenues of the company and its susbidiaries for the year ended Dec. 31, 1960 amounted to $554,707,000 and net to $61,589,000, compared with $462,901,000 in revenues and $52,-267,000 in net for the like 1959 year.

Capitalization of the company as of Feb. 28, 1961 and adjusted to give effect to the current offering was $674,729,000 in long-term debt (exclusive of approximately $150 million of non-interest bearing notes issued in connection with the purchase of gas in place); 1,069,270 shares of preferred stock, $100 par value; 790,355 shares of convertible second preferred stock, $100 par value and 39,673,464 shares of common stock, $5 par value.

Dynamic Instr. Stock Offered

Public offering of 150,000 shares of Dynamic Instrument Corp. common stock at a price of $2 per share was made on April 5 by T. W. Lewis & Co., Inc.

Net proceeds from the sale of the common shares will be used by the company to repay a loan, to complete the development of a production model of a servo motor on which the company holds a patent, and to develop commercial models of clutches and brakes. The balance of the proceeds will be added to working capital and used to finance the purchase of materials, components and a finished goods inventory.

Dynamic Instrument Corp., with an office and factory in Westbury, L. I., designs and manufactures electro-magnetic clutches and brakes, and the machining of precision components. The majority of the products are sold to defense industries. Among the companies which purchase clutches and brakes from Dynamic Instrument Corp. are Sperry Gyroscope (Marine Division), Curtiss Wright Corp., American Bosch Arma Corp. and Raytheon Inc.

Upon completion of current financing, outstanding capitalization of the company will consist of 366,000 shares of common stock.

Rego Wire Common Offered

It was announced on April 5 that an underwriting group headed by Russell & Saxe Inc., 50 Broad St., New York 4, N. Y., had commenced a public offering of 200,-000 shares of the 10¢ par value common stock of Rego Insulated Wire Corp. The stock was priced at $4.50 per share. Of the shares offered, 180,000 were offered for the account of the issuing company and 20,000 for the account of selling stockholders.

Rego Insulated Wire Corp. was incorporated under the laws of Delaware on Sept. 1, 1960. The executive offices of the company are located at 830 Monroe St., Hoboken, N. J.

The company is engaged in the manufacture of insulated wire and cable, garden hose and garden supply items, television antennas, antenna wire and related items, and blow molding of plastic toys and doll bodies. In addition, the company in January 1961 commenced the production of thermoplastic compounds for use in its own manufacturing operations, as well as for resale to other manufacturers.

The net proceeds to be realized by the company from the sale of the stock offered for its account are estimated at $681,000. Out of such proceeds there will be paid in full the then remaining indebtedness to Bernard V. Simon, a former affiliate, which as at Feb. 28, 1961, amounted to about $144,-000 including interest. There will also be paid in full out of such proceeds indebtedness owing to Arthur Baum, his two sons, and his wife, all of whom are affiliated with the company, which as at Feb. 28, 1961, aggregated $174,321. Out of the balance of the proceeds $250,000-$300,000 will be used to retire bank loans which as at Feb. 28, 1961, aggregated $425,000, and which were incurred principally to build up inventories in preparation for the spring season, and for equipping the recently established plastics processing plant. The balance of the proceeds will be added to working capital.

Bicor Class A Stock Offered

Pursuant to a March 24 prospectus, Mortimer B. Burnside & Co., Inc., 40 Wall Street, New York 5, N. Y., publicly offered at $4 per share, 129,800 shares of the 10¢ par class A common stock of Bicor Automation Industries Inc.

Bicor, a holding company whose principal executive office is located at 333 Bergen Boulevard, Fairview, N. J., was organized under the laws of the state of New Jersey on Dec. 30, 1960, to acquire all the capital stock of four corporations under common control, whose principal business is the importation and sale of embroidery manufacturing machinery and the manufacture of embroidery.

The net proceeds to the corporation from the sale of the stock are estimated at $319,700. The corporation presently intends to apply approximately $50,000 to increasing one of its subsidiaries' inventories of parts for new and present embroidery machinery and approximately $80,000 to help finance the purchase by another of its subsidiaries of an additional new embroidery machine and the replacement of two present embroidery machines. It is intended to use approximately $75,000 of the proceeds as collateral with a bank to secure a letter of credit which will be used as a revolving fund to finance purchases and sales of embroidery machinery. The balance of the proceeds of approximately $114,700 will be added initially to the working capital of the company and will be used for general corporate purposes and to finance expanded operations.

W. F. Maxwell Opens

DALLAS, Tex.—W. F. Maxwell is conducting a securities business from offices at 3109 Bryn Mawr Drive.

Will Market Grow to Sky? —Some Problems Ahead

Continued from page 1

trial issues, if the selection is especially good or perhaps only average. But the stability factor will probably be greater. One could easily justify a determination to concentrate one's equity proportion of the portfolio in the public utility field under present market conditions."

That was said in April 1955.

My Errors

Now, most of the things that I talked about six years ago have not come to pass. We have not had a full-scale bull-and-bear-market sequence similar to older experience, but rather a persistent advance punctuated only by three declines each on the order of some 20%.

The adaptation of corporate dividends and investment policies to our modern tax structure is taking place very slowly. The effective check by stockholders on the stewardship of corporate management is also developing quite deliberately and in a roundabout way, chiefly through purchases of controlling stock by new interests.

My warning against continuous operation in the field of growth stocks by the average investor may or may not be judged to have been a useful one, in the light of the widely varying experience of amateurs in this area of investment. But I am rather proud of my one piece of concrete and positive advice given in 1955, which favored concentration of common stock purchases in the public utility field. Since then the net rise in the utility averages has been fully as great as that in the industrials. (Of course, I checked on this before referring to the subject.) And they have had no intervening market decline of any importance.

Today's "Agenda"

In my paper of today I want to cover four matters: (1) The causes of the market's great advance since 1949; (2) a closer look at some of these causal developments; (3) my opinion as to the general character of the stock market of the future, and (4) a concrete suggestion for investment policies under present conditions.

A number of reasons can be adduced to explain the great rise of the stock market from a low of 161 for the Dow-Jones Ind. average in 1959 to a high of 685 at the beginning of 1960, which is almost the current figure. In terms of Standard & Poor's 500-stock composite average, the rise was from 13.55 in 1949 to a recent new high of over 64. Interestingly enough, that advance was larger than the one in the more popular Dow-Jones Industrial average during the same period.

Now, one simple explanation of the rise may be based on the pendulum-swing concept. For a period of nearly nine years, from October 1946 to March 1955, the Stock Market had held continuously **below** its normal value as judged even by old investment standards. One of these is my own "Central Value" calculation, which is based upon an average of ten years earnings divided by twice the current interest rate on high-grade bonds. The same thing was true of the valuations reached by several other methods. They all, incidentally, gave a figure of somewhere around 400 early in 1955, which was equivalent to the stock market level at the time. Prior thereto stock market prices for many years had been **below** the values calculated by these now rather old-fashioned methods.

This period of nine years—1946-1955—was no doubt an all-time record for continued stock market restraint. Conceivably we are in the midst of stock market over-valuation which is not nearly nine years old as yet. But let me add with emphasis that only a very rash person would take this simple calculation of dates as a reliable clue to the duration of the present bull market.

Bases of the Rise

More seriously, the market rise has been based on an increase in the earnings and dividends of common stocks generally. As everyone knows, that increase has been much less than the accompanying advance in stock prices. The disproportionate rise, in turn, has engendered a great growth of confidence in the future of common stocks, most significantly on the part of institutional investors—such as pension funds, universities and others.

Common stocks are expected to increase their earnings at least as rapidly as in former decades. Furthermore, these earnings are expected to have smaller downward fluctuations, — i. e., more stability—because of the government's new duty to prevent or cure depressions. Share earnings are expected to be increased as in the past by more or less continuous inflation. This inflation consciousness acts as a double incentive to common stock buying, since it not only makes them appear more attractive for the future but also makes cash and bond holdings appear unattractive alternatives.

That these developments and new attitudes have justified a substantial advance in the stock market is beyond question. But the careful investor cannot let it go at that. He must ask: "How much of a rise is justified by these considerations? Could the market's response to them be excessive, either presently or at some future date? How can I determine whether and when such an excessive price level has been reached, and how could I make sure neither to over-stay a dangerous bull market nor to get out much too soon?"

These are more than $64,000 questions. And I don't pretend to know the answer to them. In my observation there are two kinds of stock market experts, whom I call Grade A and Grade B. The Grade A expert knows all the right questions. I have always considered myself strictly a Grade B expert.

However, it might assist those endeavoring to formulate answers to these questions for themselves if I considered in a little more detail some of the factors previously enumerated on which the bull market has been founded.

First let's look at the business expansion which has occurred since 1949, gave the last decade its Wall Street sobriquet of the "Fabulous Fifties," and also led to the advance description of the present decade as the "Soaring Sixties."

Herodotus on the "Soaring Sixties"

When I first read these confident references to the "Soaring Sixties" toward the end of 1959, I was forcibly reminded of a famous tale told by Herodotus in that earliest of histories. It was about King Croesus, the richest man in the world. He engaged unwisely in a war, lost it, and was about to be burned to death on the funeral pyre by his conqueror. On the pyre he recalled a statement made to him long before by Solon, a very wise Greek, who said that "no man's life should be counted happy until it was over." And it seemed to me that perhaps it would be more advisable to delay the appellation for a decade until it is over. In any event, wait until it is well on its way, before you characterize it.

The Economic Record

Strangely enough, the economic expansion of the fifties shows up statistically as nothing to boast about. In constant dollars it was next to the lowest of the six decades of this century, but approximately the same as two others. It was much less than the expansion of Gross National Product in the forties. The figure was a 56% increase in constant dollars in the forties and only 32% in the 1950's (See accompanying Table).

In deference to Dr. Julius Hirsch I would like to say that the figures for GNP are open to some question as all global figures are. It is quite possible that certain important items are omitted in each decade and that they would have a differential effect if they were put back into them. It is possible that the increase in the 1950's was larger than the figures indicate. I don't think, however, that it was large enough to change the complexion of the economic history of that decade as compared with previous decades. On the whole, it would seem that the decade's rate of growth in constant terms was more or less an average kind of performance and nothing fabulous.

Now, of course, we must next allow for the effect of the price inflation. There we find that the rise in Gross National Product is reported as 87%, which is certainly an impressive figure. However, in the preceding ten years the rise was 182%. That was a period in which the stock market had only a small advance. Between 1910 and 1919, the rise was 163%. Between 1899 and 1909 the rise in Gross National Product was 82%—just about what it was in the 1950's. We had two smaller periods of rise, one of only 22% in the 1920's and a decline of 12% in the 1930's, produced by the fall of the price level.

However, when we look at the 22% rise in GNP in the 1920's and of 87% in the 1950's, it is rather curious to observe that both the great bull market of our financial history have occurred in decades in which the actual economic expansion was a little below average, and in which the expansion in dollars was really no better than average.

Share Earnings Unimpressive

The figures on common-stock earnings, which are more important than the gross national product to the investor, are even less impressive. The earnings of Standard & Poor's 500 stocks, as comprehensive an index as we have, increased only 42% from 1949 to 1959. That was less than half of the increase in GNP. The Dow-Jones Industrial figures are a little better, but the difference is not really worth discussing. The contrast with the 1940's is especially striking here. In the 1940's, earnings per share on the larger average increased by 196%, or practically tripled, but prices rose only by a third. In the 1950's earnings rose by about 50%, quite a modest figure, but the market level advanced by 270%. In other words, it went up to nearly four times its 1949 average. Thus, the relationship between price change and earnings change was just about reversed between the 1940's and the 1950's.

So far in the 1960's both the general economic picture and the corporate earnings picture have been poorer than at the end of the 1950's. The strength of the stock market in these current months is to me very reminiscent of the stock market behavior of 1949, because it is exactly the opposite. In those days I recall, I think fairly accurately, a remark to the effect that the stock market in the late months of 1949 resembled the Island of Laputa in Gulliver's Travels by Swift. This was an island located somewhere up in the sky, and what happened there was completely independent of anything that occurred on earth.

Now we have the situation in which for a period of more than a year we have had relatively disappointing developments in the economic sphere and in earnings on common stocks; but the stock market has acted entirely on its own in response to elements which I am inclined to term basically speculative. This has caused a price behavior quite the opposite of what one might have expected.

The Inflation Impact

Since past and prospective inflation plays a dominant role in the thinking of investors, it is worth looking at the figures in this area for a moment. In the past nine years, since the Korean War, the Consumers Price Index (cost of living) has advanced about 12%, an inflation of a truly creeping sort. By contrast, in the two years 1947-1948, which was definitely a bear-market period, the price level advanced 23%—about twice as much as it did in the past nine years. Inflation has been with us most of the time during the century and generally at a more rapid rate than in recent years. Its influence on the stock market in the past has been most erratic. When investors were bullish, they were inflation conscious; and when they lost their enthusiasm for stocks, they seemed to lose their sensitiveness to inflation.

Government Support

Now, to go to another subject, there appears to be solid merit in the argument and conviction that the economic climate has had a major change for the better because of the enlarged role of the government in countering depressions. I believe that this has added to the underlying stability of the common stocks, has made them more suitable for general investment than they formerly were, and justifies a higher value than heretofore for a dollar of current or expected earnings.

However, it may be worth recalling that the business community was almost solidly opposed to that new government policy as embodied in the Employment Act of 1946. Here I am going to indulge in a little bit of vanity. I like to call to mind that as a member of the New York State Chamber of Commerce 15 years ago I was the only one who spoke out against the Chamber resolution roundly condemning the 1946 act, and one of the very few who voted "No" on this resolution of condemnation.

I refer to this incident to indicate what a remarkable change has come over investor's attitudes affecting stock valuation and stock prices. The increased valuation of common stocks can be traced in good part to three considerations now considered as very favorable and bullish, but which not so long ago would have filled an investor's heart with apprehension.

The first, already mentioned, is the increased government intervention in the economic picture, generically known as New Dealism and quite unpopular with businessmen in the past.

The second is the entrenched power of labor unions, which is expected to lead to successful demands for ever larger wages. In turn these are expected to push up the price level continuously, thus increasing the value of common stocks. To say the least, that is a novel investor reaction to the increased power of labor.

The Russian Challenge

Finally, we have the belief that the economy must expand at a faster rate than formerly to meet the challenge of Russian progress and Russian arms. Along with this is considerable reliance on government defense spending to stimulate business generally and especially to increase the profits of the electronic and other technological enterprises which play so prominent a part in the growth stock field. On the surface this reasoning appears justified. But as soon as one considers how closely connected are these economic considerations with the threat of an annihilating war, one can only marvel at the complete disappearance of the celebrated timidity of investors in the face of harrowing international uncertainties.

It seems to me that sobering considerations of the kind discussed in this section of my paper should enter into the thinking process of the investors and affect in some way their decisions as to their common stock portfolio. How important these considerations are, to what extent they are offset by countervailing arguments, must be left for the individual to figure out for himself.

Future Stock Markets

The next part of this discussion relates to the general character of future stock markets. The almost universally accepted optimism on this score at present is predicated on the following beliefs: First, the stock market will value earnings and dividends more liberally in the future than it did before 1950. Second, the normal or central value of shares as a whole will advance at an attractive rate—say at least 5% per annum—to reflect corresponding expansion of the economy plus inflation. Third, just as business will not be subject to the great depressions of the past because of the government's commitment against them, so the stock market of the future will not have the recurring large declines on the order of 40% to as high as 90% which were its essential characteristics for at least 70 years, covered by the Cowles Commisison's Common Stock Indexes — that is, for the period from 1871 to the last serious decline ending in 1942.

My thinking leads me to agree with the first part of this view as to a higher basic value for stocks than formerly; it leads me to a neutral position as to the expected 5%-and-more growth rate; and it leads me to essential disagreement with the opinion that the very satisfactory market pattern since 1949 will be continued indefinitely in the years to come.

New Era Talk Again

If this view of the stock market of the future is accurate, then we have indeed entered on a new era of finance. It is not inappropriate, therefore, that the main address at the Stock Market Luncheon of the forthcoming annual convention of the National Federation of Financial Analysts Societies in Richmond on May 1 next, bears the title, "The Beginning of a New Era." Some of us have lived through the "New Era" of the late 1920s. Its scars have healed, but the experience is not entirely for-

Increases in Certain Economic Indices at Ten-Year Intervals
1899 - 1959

	GNP (Constant $)	GNP (Current $)	Common-Stock Earnings per Sh.*	Common-Stock Prices per Sh.*
1899-1909	+57%	+ 82%	+ 73%	+ 52%
1909-1919	+37	+163	+ 21	— 10
1919-1929	+34	+ 23	+ 57	+170
1929-1939	+ 4	— 12	— 38	— 43
1939-1949	+56	+182	+196	+ 34
1949-1959	+32	+ 87	+ 42	+270

*Cowles Commission figures 1899-1929; Standard Poor's 500—Stock Composite Index figures 1929-1959.

gotten. Today's analysts and investors would no doubt assert that the New Era which was only a mirage in 1928 and 1929 has now become a wholesome reality 30 years later.

I have two somewhat philosophical reasons for doubting whether things will work out in Wall Street as comfortably as now anticipated. The first relates to the determination of the new level of normal values, which I expect will be more liberal than before 1950.

Determining "Central Value"

However, there is neither a dependable statistical formula available nor a basis in long experience by which students of securities can determine just what this new central value should properly be. Consequently it will have to be worked out in the stock market itself, and in all probability by wide pendulum swings above and below what will ultimately be established as the new basis of normal value. When that has happened we will know perfectly and precisely why it had to be at that figure and not at some other figure.

Such eventual wide swings of the market pendulum are to be expected, I think, for a more fundamental reason, namely, the human nature factor as it shows itself in speculation. Participation in the stock market is not limited to the experienced, the conservative, nor even the intelligent. It is a game at which any number of people may play. And as the market level rises, the quantity of players grows rapidly and their quality diminishes somewhat in proportion.

For contrast, consider the situation in 1948. Let me recall that the Dow-Jones average was then selling at about seven times its current earnings, against over 20 times at the present time. At that very low level a Federal Reserve survey showed that 12 out of 13 people consulted were opposed to common stock investments; about half of them gave as their reason that they were not safe and about half gave the reason that they were not familiar with stocks. Just recently the New York Stock Exchange proudly announced that the number of stockholders had grown to a new high of 15 million, a tremendous increase from the figures of 1948.

Today's Market Participants

If numbers of participants establish the future of the stock market, we are on very safe ground. But as always before under similar conditions, many people in today's bull market are interested only in the price movements of stocks and have scarcely the most shadowy notion of the values behind the issues they buy. Even serious minded security analysts, lacking a guide to normal values, feel themselves compelled to take their measure of value from the level of the stock market itself, instead of judging the market level by their own independent value standards.

The motto of nearly every one active in common stock today could be taken from Goethe's Iphigenie, who said in German: "Ich untersuche nicht, ich fuhle nur" (I do not investigate; I only feel).

With these attitudes of people in the stock market, with their inherent tendency to buy more eagerly as the price level rises, it would be most extraordinary for the stock market to follow a disciplined behavior pattern. So by a law of human nature, which I consider more fundamental than the Employment Act of 1946 or other legislation, the excesses on the upside are bound to be followed by similar excesses on the downside—in other words, by an old-fashioned bear market of major proportions. When that occurs, the present unlimited confidence in the future growth and relatively stable character of common stock prices will be replaced by serious doubts and pessimism.

In this connection, and again in a literary vein, permit me to quote a contemporary of Goethe from France, Chateaubriand. In his memoirs he describes the rapid changes of loyalties that took place between Napoleon and the Bourbons as the fortune of war fluctuated in 1814 and 1815. And then he made the succinct remark, "Events make more traitors than do opinions."

Disloyalty to Investment Principles

For the followers of the stock market, there is no such thing as loyalty to investment principles. It is not their convictions but the action of the market which determines how they will act and therefore what they will believe. In a bull market, they are for Napoleon; in a bear market, they will be for the Bourbons.

It will be observed that in this rather disquieting picture of the stock market of the future which I have drawn, I have been careful not to supply any dates or specific price levels. I don't think that the situation admits of making that type of prediction with any high degree of reliability—this is a point on which A. Wilfred May would agree with me—and therefore I have no worthwhile opinion on the subject.

Investment for the Wealthy

But I do have an opinion on investment policy for wealthy people at this juncture, a record number of whom must have been created by the stock market advances of the past decade. I present this suggestion now with even more conviction than my suggestion made six years ago, that the investor could find both stability and growth of values in the field of public-utility common stocks. My advice is as follows: Divide your portfolio between common stocks and tax-free bonds in such proportion that you can be sure in advance of not being hurt by any future developments. The chief practical advantage of having a large net worth under today's conditions lies precisely in the opportunity it affords to protect one's self in both financial and psychological terms against any vicissitudes to come.

Bad Advice

Not long ago I was told of a counsel being biven by a large Wall Street banking firm to the effect that an investor is foolish to own any bonds at all, since all he can expect from them is a decrease in their value by reason of inflation. This may seem like good advice to those familiar only with the histor yof the past 12 years, but to one like myself, who has experienced personally the ups and downs of the past 47 years and has studied those of many decades previously, this counsel seems to be short-sighted and rash.

My motto would be taken from my favorite poet, Virgil. It has only three words: "In utrumque paratus" — "Ready for either event."

Own common stocks, if you wish, in order to protect yourself against serious further erosion of the dollar and in order to participate in the excitement of our spectacular bull market. But be sure you own enough bonds to safeguard both your financial strength and your peace of mind against the inevitable day of reckoning for the now happy breed of stock market speculators.

*An address by Mr. Graham at Round Table for Business Executives on "New Horizons in Business," conducted by the Business Administration Center of the New School, New York City, March 23, 1961.

B. A. Luckenbach Opens

ALLENTOWN, Pa. — Bert A. Luckenbach is engaging in a securities business from offices at 1022 Hamilton Street.

Realty Investment Trusts And the Potential Investor

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legal vehicles which would allow the "tax free" treatment.

Some Dangers Not Well Known

Some of the dangers inherent in the corporate ownership of real estate are not too well known, nor have they been too widely publicized or properly evaluated by the investing public and the stock market professionals. While the corporate organization is almost a necessity in the development of new land into finished income-producing buildings, it appears to have very limited advantages as an owning vehicle.

The promoters of an investing real estate corporation, in most cases, have absolute control over the disbursing of funds to the corporate investors, and because of this reason, and the usual control of the Board of Directors, can make future acquisitions virtually at will. Through the device of corporate borrowing, coupled with the retention of funds, the controlling promoters leave the investor with little or no control of future purchases. Thus, the corporate heads of such "public" corporations who were tired of going back to the public for new funds and the public's approval may now happily make real estate acquisitions without public review.

Consequently, they have closed the tax advantage door on their investors, if not now, certainly within a few years when their allowable depreciation is considerably below present levels. Think how difficult their position may be when their investors discover that by merely exercising patience, these former syndicators, now corporate moguls, could have retained their earlier tax advantages when the properties were held individually in limited partnerships.

They could have merged these limited partnerships into real estate investment trusts! The Real Estate Investment Trust Law eliminates the corporation tax from properly organized real investment trusts and, in addition, virtually eliminates in one fell swoop all of the seven or eight disadvantages of limited partnerships.

May Be Organized to Guarantee Perpetuity

Initially, the trust may be organized in such a way as to virtually guarantee its perpetuity, as trustees may name their own successors therefore eliminating the ending of trust business in the event of a trustee's death. Minors could receive gifts of the trust's certificates as it is not necessary for them to become parties to an agreement as in the case of partnerships.

Parents could set up income plans for their children using trust certificates as the source of such income. Unlike the general partners in limited partnerships, the trustees could borrow monies from time to time to meet emergencies, and such borrowings would not become their personal responsibilities, the lenders looking at only the physical assets of the trust and not the trustees.

The transfer and mobility of the certificates would be easily handled through transfer agents, just as readily as stock and bonds. It is entirely probable that shares in trusts with desirable income-producing properties and with large numbers of investors could be traded. Of course, this would depend upon the total cash worth of the trust and the number of certificate holders. Some of the larger trusts eventually could probably be traded on the New York Stock Exchange, some on the American Exchange while others would be quoted in the less formal over-the-counter markets.

If the trust held a number of diversified properties such as shopping centers, apartment houses, and office buildings, the certificates would represent this diversification and its owners need have very little cash invested. In fact, for as little as $25, they could achieve the diversification or "mix" that could cost as much as $20,000, in a series of purchases in limited partnerships.

Would Generate Tax Free Income

Tax wise, the trust would do the same things for the investor that limited partnerships now do, that is, to avoid the corporate tax and generate some "tax free" income. We are still a long way from Utopia, however, as the new Real Estate Investment Trust Law has some disadvantages, too. It is not possible, for example, to own property in trust form and create a tax loss. The best that could be done would be to pay a return to the investor that is entirely "tax free." This tax loss (in excess of actual cost returns) rarely happens however in properties that are well capitalized and that are fairly new. This event usually occurs where extremely rapid depreciation is taken on older buildings which have shorter economic life. It can also occur in situations where the cash down payments on buildings are small and the repayment of the mortgage is on an interest-only basis or the mortgage requires little repayment of its principal. This slight disadvantage is specious inasmuch as the majority of the leaders in the industry are not particularly charmed with ultra rapid depreciation of older properties because of the speed with which such depreciation forces them to dispose of the property.

The speedy depreciation ultimately causes taxable income on dollars the investors are not receiving, which is the opposite situation from that which most investors desire. Further, if conventional methods of financing are used and sensible ratios of land to improvements are followed, such losses as may be developed through last depreciation usually occur only at the outset, and usually last for only a year or two.

Additionally, while a speedy tax depreciation may be desirable for a particular property when this property is mixed with the other properties held by the trust, it is highly improbable that a tax loss

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Realty Investment Trusts And the Potential Investor

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in excess of actual cash distributions could be developed.

Disadvantages in Cases of Small Holdings

A trust would be disadvantageous in the event only one or two properties were the only principal assets. For this reason many astute leaders in the multiple ownership field are convinced that the most successful real estate investment trusts will be those which are either mergers of existing limited partnerships or those with large number of properties which were held in corporate form prior to the new law. The new trust appears to have limited use for those syndicators or promoters whose "stock-in-trade" has been to acquire older properties to develop tax losses for high-income bracket individuals.

When Congress enacted the Real Estate Investment Trust Law one of the first provisions was that it have a minimum of 100 or more persons holding the shares or certificates of the trust. Therefore, the trust would lose its tax benefits if it had less than 100 shareholders. In addition, no five beneficiaries of the trust can, directly or indirectly, own more than 50% of the trust. Quite a few syndications using the limited partnership technique could not have been accomplished using a real estate investment trust because of this provision.

Trust May Not Render Services to Tenants

Another provision of the law is that the trust may not furnish or render services to the tenants of the property it owns, nor may it directly manage the property. It must be managed through an independent contractor. And the test of whether the contractor is independent or not is that the trust may not own, directly or indirectly, a 35% interest in the assets or profits of the independent contractor. The law further provides that the contractor may not be classified as "independent" if he or it owns, directly or indirectly, 35% of the shares of the real estate trust.

Another restriction which prevents the trust from setting up an "active trader business" is that the trust may not receive rent from real property where the trust has an interest of 10% or more in the stock, assets, or net profit of the lessee. Of course none of the foregoing restrictions would apply to the organization of limited partnerships, so that it is apparent that the real estate investment trust vehicle will not always be chosen as the proper method of organizing a real estate syndicate.

In addition, the entire theory behind the enactment of the new law was that the income received by the investment trust would be "passive." Therefore, the trust could not be in the business of selling or developing of land as this income does not qualify. There are various technical restrictions in the trust; the first set of restrictions governing the trust assets; the second set of restrictions governing the trust income. Briefly, at least 75% of the value of the trust assets must be represented by real estate, cash or government securities. This 75% test guarantees that the trust investments are substantially in real estate. There are several other minor investment requirements with respect to the trust assets, which are clearly stated in the law itself.

The major income requirement of the trust is that 90% or more of such income must be from rents, dividends, interest, gains from the sale of stock, securities, or real properties and abatements or refunds of taxes on the property, and within this 90% income rule is another rule which requires that 75% of this income be from rents, mortgage interests, real properties and abatements or refunds of taxes on the property.

Provision Governs Distribution Of Income

A major requirement regarding income stops all corporate nonsense, with respect to future acquisitions, with one magnificent Congressional provision. This provision governs the distribution of the trust's dollars. A minimum of 90% of the trust's income *must* be distributed to the shareholders. Thus the trust has no way of accumulating cash for syndicators who are reluctant to go to the public for each acquisition.

The trustees or trust promoters *must* go back to their investors prior to any acquisition, for that all important commodity, the money with which to make the acquisition. Therefore, unless the public realty corporations now in existence have a history of careful and conservative management, the tax disadvantages along with the facts herein indicated, may serve as a warning bell to the investors who in their anxiety to receive good income have bid the price of these shares to fantastically new highs.

There are several other minor restrictions governing the trust income but these are all expressly pointed out in the law.

In summation, it appears that in order to take advantage of the new Real Estate Investment Trust Law, a trust must hold income-producing property managed by an independent contractor and it must be large enough both in its capital structure and variety of ownership to produce benefits for the investor which the Congress intended as well as having over 100 shareholders.

Like any other business the real estate investment trust business must be organized and operated by men who are technically competent and ethically tuned to their responsibilities as organizers and managers. Many persons, aware that the new law will attract fresh capital, will seek to take advantage of the investing public. There is no substitute for quality and location in real estate; and there is no such thing as a real estate bargain.

An investor seeking advice may very well weight his decision 25% as to quality and location of the property and 75% as to the men who must select and operate the property. If this formula appears lopsided and needs correction, let us do it now. Make it 10%-90%. In other words, invest in persons, not things . . . "things" never make money.

*Based on a talk by Mr. Swesnik before the American Conference on Real Estate Funds.

STATE OF TRADE AND INDUSTRY

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and plates but no extension of deliveries.

The uptrend in auto sales and production may trigger the release of more steel orders in May than the mills have been expecting.

Exports of U. S. scrap are providing support to the scrap market. *Steel's* price composite on prime grade of steelmaking scrap held at $38.67 a gross ton last week after rising for six straight weeks.

Automobile Industry Slowly "Looking Up"

Increased by 17%, passenger car production in U. S. plants this week was scheduled at the highest level since mid-January. *Ward's Automotive Reports* counted 102,960 car completions this week compared with 87,808 for last week despite the absence of six assembly plants from the production lineup due to inventory adjustments.

The statistical service said nine Buick, Oldsmobile, Pontiac plants will be idled all of next week, representing nearly 40% of GM Corp. production. Three Ford Motor Co. plants also will be closed for the five-day period, as will Chrysler Corp's. Hamtramck (Mich.) plant.

Ward's said this week's output increase brings to 407,050 estimated units the number of cars produced in March, "locking in" the first quarter at approximately 1,187,250 units, or 59.3% of the 2,002,100 cars built in the first quarter of 1960.

GM Corp. in January-March operated at 66.3% of the like 1960 level, Ford Motor Co. 61.5%, American Motors 55.3%, Studebaker-Packard Corp. 38.4% and Chrysler Corp. 37.9%.

The reporting service said an estimated 141,700 of March production was held by compact cars, or 34.8%.

Truck production this week held steady, totaling 21,430 completions following 21,513 last week, *Ward's* said, adding: "April truck production is forecast at the March 97,800-unit level in absolute volume but calls for a 14% gain in daily output rate because of stronger market demands and three fewer working days available in the month."

Steel Production Data for the Week Ended April 1

As previously announced (see page 26 of our issue Dec. 22) the American Iron and Steel Institute has materially changed its weekly report on the steel industry operations. The revised formula no longer relates production totals as a percentage of the industry's operating rate based on the Jan. 1, 1960, overall productive capacity. Instead, and effective Jan. 1, 1961, the output figures are given as an index of production based on average weekly production for 1957-59.

The revised method of reporting presents the following data:

Production for week ending April 1, 1961, was 1,632,000 tons (*87.6%), previous week's output of 1,611,000 (*86.5%).

Production this year through April 1, amounted to 19,958,000 tons (*82.4%), or 42.4% below the 34,650,000 tons (*143.1%) in the period through April 2, 1960.

The Institute concludes with Index of Ingot Production by District, for week ended April 1, 1961, as follows:

	*Index of Ingot Production for Week Ending April 1, 1961
North East Coast	92
Buffalo	77
Pittsburgh	80
Youngstown	65
Cleveland	89
Detroit	100
Chicago	92
Cincinnati	84
St. Louis	103
Southern	100
Western	106
Total Industry	87.6

*Index of production based on average weekly production for 1957-59.

Electric Output 1.9% Higher Than in 1960 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, April 1, was estimated at 14,163,000,000 kwh., according to the Edison Electric Institute. Output was 128,000,000 kwh. below that of the previous week's total of 14,291,000,000 kwh. and 263,000,000 kwh., or 1.9% above that of the comparable 1960 week.

Slight Dip in Business Failures For Week Ended March 30

Commercial and industrial failures dipped to 350 in the week ended March 30 from 359 in the preceding week, reported Dun & Bradstreet, Inc. Casualties were fractionally lower than the 356 occurring in the comparable week last year, but were higher than in 1959 when there were 284. Some 13% more businesses succumbed than in the similar week of pre-war 1939 when the toll was 310.

Twenty-three Canadian failures were reported as compared with 37 in the preceding week and 32 in the corresponding week of 1960.

Freight Car Loadings for March 25 Week Declined 16.8% Below Same Week Last Year

Loading of revenue freight in the week ended March 25, 1961, totaled 500,333 cars, the Association of American Railroads announced. This was a decrease of 100,752 cars or 16.8% below the corresponding week in 1960, and a decrease of 104,059 cars or 17.2% below the corresponding week in 1959.

Loadings in the week of March 25 were 6,250 cars or 1.2% below the preceding week.

There were 11,016 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended March 18, 1961 (which were included in that week's over-all total). This was an increase of 76 cars or 7/10ths of 1% above the corresponding week of 1960 and an increase of 3,199 cars or 40.9% above the 1959 week.

Cumulative piggyback loadings for the first 11 weeks of 1961 totaled 112,173 for an increase of 15 cars above the corresponding period of 1960, and 35,133 cars or 45.6% above the corresponding period in 1959. There were 58 Class I U. S. railroad systems originating this type traffic in the current week compared with 51 one year ago and 47 in the corresponding week in 1959.

Intercity Truck Tonnage for Week Ended March 25 Was 2.8% Lower Than the Corresponding 1960 Week

Intercity truck tonnage in the week ended March 25 was 2.8% less than that of the corresponding week of 1960 the American Trucking Associations, Inc., announced. Truck tonnage was, overall, even with the volume for the previous week of this year.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

Lumber Shipments Were 6.8% Behind 1960 Volume

Lumber production in the United States in the week ended March 25, totaled 217,054,000 board feet, compared with 216,811,000 board feet in the prior week, according to reports from regional associations. A year ago the figure was 263,247,000 board feet.

Compared with 1960 levels, output declined 17.5%, shipments dropped 6.8%, and orders rose 16.2%.

Following are the figures in thousands of board feet for the weeks indicated:

	Mar. 25, 1961	Mar. 18, 1961	Mar. 26, 1960
Production	217,054	216,811	263,249
Shipments	232,189	247,763	249,242
Orders	287,942	276,278	247,751

Wholesale Commodity Price Slips From Prior Week

With price declines on most grains, lard and lambs offsetting increases on hogs, steers and steel scrap, the general commodity price level dipped somewhat this week from a week earlier. The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., stood at 269.78 (1930-32=100) on April 3, compared with 271.11 in the prior week and 275.45 on the corresponding date a year ago.

Wholesale Food Price Index Down To Lowest Level Since Last October

The wholesale food price index, complied by Dun & Bradstreet, Inc., diped 0.5% on April 4 to $6 from $6.03 a week earlier. This was the third consecutive decline and the lowest level since the $5.99 of Oct. 19, 1960. The current level of exceeded the $5.94 of the corresponding date a year ago by 1.0%.

Higher in wholesale price this week were flour, oats, bellies, butter, milk, hogs and potatoes. Commodities quoted lower were wheat, corn, beef, hams, lard, coffee, cottonseed oil, cocoa and lambs.

The Dun & Bradstreet, Inc. wholesale food price index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Early Easter and Good Weather Boost Retail Trade

The early Easter this year and generally favorable shopping weather in many areas stimulated purchases of Easter merchandise in the Palm Sunday week ended March 29 helping over-all retail trade rise moderately over the similar calendar week last year; volume, however, failed to match that of the Palm Sunday week last year. On a calendar basis, year-to-year gains in men's, women's, and children's apparel and food products offset declines in most household goods and new passenger cars.

The total dollar volume of retail trade in the week ended March 29 was 3 to 7% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1960 levels by the following percentages: Middle Atlantic +6 to +10; Pacific Coast +4 to +8; East North Central, South Atlantic, and East South Central +3 to +7; West South Central +2 to +6; New England and Mountain 0 to +4; West North Central —1 to +3.

Nationwide Department Store Sales Up 6% From 1960 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended March 25, 1961, showed an increase of 6% above the like period last year. For the week ended March 18, an increase of 9% was reported. For the four weeks ended March 25, 1961, a 12% gain was reported.

According to the Federal Reserve System, department store sales in New York City for the week ended March 25 showed an 11% increase over the same period last year. In the preceding week ended March 18 sales showed an increase of 7% from the same week in 1960. For the four weeks ended March 25 a 15% increase was reported above the 1960 period, while Jan. 1 to March 25 a 3% decrease occurred.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated steel operations (per cent capacity)	Apr. 9	56.0	55.0	54.0	85.9
Equivalent to—					
Steel ingots and castings (net tons)	Apr. 9	1,632,000	1,611,000	1,580,000	2,417,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Mar. 24	7,366,060	7,353,160	7,207,460	7,098,910
Crude runs to stills—daily average (bbls.)	Mar. 24	7,897,000	8,043,000	8,376,000	7,945,000
Gasoline output (bbls.)	Mar. 24	28,458,000	27,932,000	28,794,000	28,003,000
Kerosene output (bbls.)	Mar. 24	2,637,000	2,834,000	2,764,000	2,630,000
Distillate fuel oil output (bbls.)	Mar. 24	11,831,000	13,014,000	15,725,000	12,346,000
Residual fuel oil output (bbls.)	Mar. 24	6,639,000	6,446,000	6,933,000	7,278,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Mar. 24	226,668,000	225,519,000	221,098,000	225,987,000
Kerosene (bbls.) at	Mar. 24	25,359,000	25,240,000	23,805,000	18,099,000
Distillate fuel oil (bbls.) at	Mar. 24	90,803,000	95,380,000	96,716,000	78,012,000
Residual fuel oil (bbls.) at	Mar. 24	42,091,000	42,998,000	43,147,000	39,852,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Mar. 25	500,333	506,583	468,482	601,185
Revenue freight received from connections (no. of cars)	Mar. 25	472,809	473,104	475,059	566,756
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	Mar. 30	$405,100,000	$353,900,000	$405,600,000	$383,700,000
Private construction	Mar. 30	234,400,000	169,300,000	244,600,000	179,900,000
Public construction	Mar. 30	170,600,000	184,600,000	161,000,000	203,800,000
State and municipal	Mar. 30	137,600,000	154,600,000	117,400,000	164,400,000
Federal	Mar. 30	33,000,000	30,000,000	43,600,000	39,400,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Mar. 25	6,625,000	*6,500,000	6,615,000	8,911,000
Pennsylvania anthracite (tons)	Mar. 25	334,000	323,000	445,000	361,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	Mar. 25	139	140	122	131
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Apr. 1	14,163,000	14,291,000	14,226,000	13,900,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Mar. 30	350	359	408	356
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Mar. 27	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Mar. 27	$66.44	$66.44	$66.44	$66.41
Scrap Steel (per gross ton)	Mar. 27	$39.17	$38.50	$34.50	$33.17
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Mar. 29	28.600c	28.600c	28.600c	32.600c
Export refinery at	Mar. 29	27.175c	27.300c	27.725c	31.200c
Lead (New York) at	Mar. 29	11.000c	11.000c	11.000c	12.000c
Lead (St. Louis) at	Mar. 29	10.800c	10.800c	10.800c	11.800c
‡Zinc (delivered) at	Mar. 29	12.000c	12.000c	12.000c	13.500c
Zinc (East St. Louis) at	Mar. 29	11.500c	11.500c	11.500c	13.000c
Aluminum (primary pig, 99.5%) at	Mar. 29	26.000c	26.000c	26.000c	26.000c
Straits tin (New York) at	Mar. 29	104.250c	103.875c	101.875c	99.750c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Apr. 4	87.75	88.44	89.15	85.84
Average corporate	Apr. 4	88.40	88.40	87.99	85.46
Aaa	Apr. 4	92.64	92.93	92.64	89.51
Aa	Apr. 4	91.19	91.34	90.77	87.99
A	Apr. 4	88.13	88.13	87.45	84.81
Baa	Apr. 4	82.03	82.03	81.90	80.08
Railroad Group	Apr. 4	85.46	85.20	84.81	82.77
Public Utilities Group	Apr. 4	89.64	89.92	89.51	86.24
Industrials Group	Apr. 4	90.06	90.34	90.06	87.59
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Apr. 4	3.83	3.75	3.66	3.95
Average corporate	Apr. 4	4.53	4.53	4.56	4.75
Aaa	Apr. 4	4.23	4.21	4.23	4.45
Aa	Apr. 4	4.33	4.32	4.36	4.56
A	Apr. 4	4.55	4.55	4.60	4.80
Baa	Apr. 4	5.02	5.02	5.03	5.18
Railroad Group	Apr. 4	4.75	4.77	4.80	4.95
Public Utilities Group	Apr. 4	4.44	4.42	4.45	4.69
Industrials Group	Apr. 4	4.41	4.39	4.41	4.59
MOODY'S COMMODITY INDEX	Apr. 4	368.0	367.4	367.6	381.0
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Mar. 25	304,866	304,551	314,694	300,817
Production (tons)	Mar. 25	313,642	320,783	305,151	316,264
Percentage of activity	Mar. 25	91	91	89	93
Unfilled orders (tons) at end of period	Mar. 25	426,654	434,750	399,320	418,526
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Mar. 31	112.03	111.90	110.80	110.85
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Mar. 10	4,445,560	4,187,050	3,419,640	2,523,250
Short Sales	Mar. 10	943,110	941,960	707,440	424,270
Other sales	Mar. 10	3,431,400	3,141,650	2,681,500	2,101,810
Total sales	Mar. 10	4,374,510	4,083,610	3,388,940	2,526,080
Other transactions initiated off the floor—					
Total purchases	Mar. 10	775,770	533,640	530,340	474,760
Short Sales	Mar. 10	71,900	58,800	53,700	70,600
Other sales	Mar. 10	674,940	529,280	405,830	389,050
Total sales	Mar. 10	746,840	588,080	459,530	459,650
Other transactions initiated on the floor—					
Total purchases	Mar. 10	1,285,500	1,166,705	954,752	825,013
Short Sales	Mar. 10	219,520	155,250	178,250	122,005
Other sales	Mar. 10	1,155,839	1,017,635	1,011,174	675,671
Total sales	Mar. 10	1,375,359	1,172,885	1,189,424	797,676
Total round-lot transactions for account of members—					
Total purchases	Mar. 10	6,506,830	5,887,395	4,904,732	3,823,023
Short Sales	Mar. 10	1,234,530	1,156,010	939,390	616,875
Other sales	Mar. 10	5,262,179	4,688,565	4,098,504	3,166,531
Total sales	Mar. 10	6,496,709	5,844,575	5,037,894	3,783,406
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	Mar. 10	2,948,440	2,907,825	2,363,116	1,951,277
Dollar value	Mar. 10	$150,003,866	$147,382,885	$118,942,380	$86,691,148
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	Mar. 10	3,068,913	2,874,731	2,493,142	1,559,105
Customers' short sales	Mar. 10	12,474	9,794	11,241	22,048
Customers' other sales	Mar. 10	3,056,439	2,864,937	2,481,901	1,537,057
Dollar value	Mar. 10	$144,166,246	$136,314,252	$116,733,341	$72,378,735
Round-lot sales by dealers—					
Number of shares—Total sales	Mar. 10	924,720	840,340	771,270	409,190
Short Sales	Mar. 10	------	------	------	------
Other sales	Mar. 10	924,720	840,340	771,270	409,190
Round-lot purchases by dealers—Number of shares	Mar. 10	809,800	881,010	631,940	790,210
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short Sales	Mar. 10	1,488,320	1,275,180	1,173,760	865,140
Other sales	Mar. 10	29,121,200	27,128,060	22,782,180	15,577,520
Total sales	Mar. 10	30,609,520	28,403,240	23,955,940	16,442,660
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	Mar. 28	119.5	*119.7	119.8	120.1
Farm products	Mar. 28	88.8	*89.8	88.5	91.0
Processed foods	Mar. 28	109.4	109.8	109.9	107.1
Meats	Mar. 28	95.7	96.7	96.7	96.2
All commodities other than farm and foods	Mar. 28	127.9	128.0	128.2	128.8

*Revised figure. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

ALUMINUM (BUREAU OF MINES):			
Production of primary aluminum in the U. S. (in short tons)—Month of January	161,427	165,504	164,023
Stocks of aluminum (short tons) end of Jan.	291,372	259,511	127,532
AMERICAN GAS ASSOCIATION— For month of January:			
Total gas sales (M therms)	10,968,400	9,295,300	9,954,000
Natural gas sales (M therms)	10,606,700	9,025,900	9,642,400
Manufact'd & mixed gas sales (M therms)	361,700	269,400	311,600
BUSINESS FAILURES—DUN & BRADSTREET, INC.—Month of February:			
Manufacturing number	229	228	196
Wholesale number	149	151	111
Retail number	693	685	609
Construction number	262	219	195
Commercial service number	116	121	103
Total number	1,449	1,404	1,214
Manufacturing liabilities	$23,160,000	$26,111,000	$21,527,000
Wholesale liabilities	12,393,000	11,362,000	9,460,000
Retail liabilities	30,646,000	28,688,000	16,687,000
Construction liabilities	14,943,000	11,231,000	10,770,000
Commercial service liabilities	6,941,000	4,128,000	2,501,000
Total liabilities	$88,083,000	$81,520,000	$60,945,000
COAL EXPORTS (BUREAU OF MINES)— Month of January:			
U. S. exports of Pennsylvania anthracite (net tons)	134,257	110,010	100,577
To North and Central America (net tons)	72,545	78,122	100,571
To Europe (net tons)	51,581	31,888	------
To South America (net tons)	1,934	------	------
To Asia (net tons)	8,197	------	------
Undesignated (net tons)	------	------	------
COAL OUTPUT (BUREAU OF MINES)—Month of February:			
Bituminous coal and lignite (net tons)	28,285,000	31,420,000	35,002,000
Pennsylvania anthracite (net tons)	1,725,000	*1,803,000	1,579,000
COMMERCIAL PAPER OUTSTANDING—FEDERAL RESERVE BANK OF NEW YORK—			
As of Feb. 28 (000's omitted)	$1,418,000	$1,404,000	$718,000
COTTON AND LINTERS — DEPARTMENT OF COMMERCE—RUNNING BALES:			
Consumed month of February	637,116	636,686	730,236
In consuming establishments as of Feb. 27	1,838,493	1,691,930	1,968,738
In public storage as of Feb. 27	9,856,894	11,145,293	11,208,781
Linters—Consumed month of February	90,266	90,493	115,200
Stocks—Feb. 27	669,802	651,523	633,892
Cotton spindles active as of Feb. 27	17.451,000	17,450,000	17,665,000
COTTON SEED AND COTTON SEED PRODUCTS—DEPT. OF COMMERCE—Month of February:			
Cotton Seed—			
Received at mills (tons)	71,200	226,600	101,300
Crushed (tons)	525,700	666,900	613,000
Stocks (tons) Feb. 28	1,509,800	1,964,300	1,443,700
Cake and Meal—			
Stocks (tons) Feb. 28	239,600	227,200	149,500
Produced (tons)	247,400	309,800	283,900
Shipped (tons)	235,000	280,300	266,000
Hulls—			
Stocks (tons) Feb. 28	90,400	87,700	55,900
Produced (tons)	123,300	155,100	143,900
Shipped (tons)	120,600	139,600	157,100
Linters—			
Stocks (bales) Feb. 28	231,400	234,100	196,800
Produced (bales)	153,400	198,400	184,700
Shipped (bales)	156,100	159,500	216,600
LIFE INSURANCE BENEFIT PAYMENTS TO POLICYHOLDERS—INSTITUTE OF LIFE INSURANCE—Month of January:			
Death benefits	$304,200,000	$295,700,000	$258,600,000
Matured endowments	62,900,000	58,400,000	61,000,000
Disability payments	11,900,000	11,500,000	11,000,000
Annuity payments	81,200,000	56,100,000	75,100,000
Surrender values	138,500,000	147,200,000	126,400,000
Policy dividends	112,500,000	284,800,000	104,200,000
Total	$711,200,000	$853,700,000	$636,300,000
PERSONAL INCOME IN THE UNITED STATES (DEPARTMENT OF COMMERCE)—Month of February (in billions):			
Total personal income	$405.9	*$406.6	$395.7
Wage and salary receipts, total	270.5	*271.4	268.6
Commodity producing industries	106.2	*107.2	111.9
Manufacturing only	83.9	*84.4	89.0
Distributing industries	72.0	*72.1	70.3
Service industries	42.1	42.1	39.8
Government	50.2	50.0	46.5
Other labor income	10.9	11.0	10.7
Business and professional	35.4	35.5	35.5
Farm	13.0	12.9	10.4
Rental income of persons	12.5	12.5	12.5
Dividends	13.9	14.0	13.9
Personal interest income	27.7	27.7	25.5
Transfer payments	31.2	31.0	27.7
Less employees' contribution for social insurance	9.3	*9.4	9.1
Total nonagricultural income	389.0	*389.8	381.2
PORTLAND CEMENT (BUREAU OF MINES)— Month of January:			
Production (barrels)	16,744,000	20,505,000	18,669,000
Shipments from mills (barrels)	14,175,000	14,977,000	12,766,000
Stocks at end of month (barrels)	37,966,000	35,525,000	37,284,000
Capacity used (per cent)	46	56	53
REAL ESTATE FINANCING IN NONFARM AREAS OF U. S. — HOME LOAN BANK BOARD—Month of Jan. (000's omitted):			
Savings and loan associations	$830,234	$961,106	$777,492
Insurance companies	82,934	95,440	107,132
Banks and trust companies	336,883	360,793	342,585
Mutual savings banks	109,913	131,876	114,847
Individuals	294,585	300,528	310,054
Miscellaneous lending institutions	420,106	488,319	427,312
Total	$2,074,655	$2,338,062	$2,079,422
SELECTED INCOME ITEMS OF U. S. CLASS I RYS. (Interstate Commerce Commission)—Month of December:			
Net railway operating income	$34,288,799	$47,011,815	$76,587,942
Other income	60,999,648	28,152,514	60,874,484
Total income	95,288,447	75,164,329	137,462,426
Miscellaneous deductions from income	7,790,741	5,763,398	8,856,689
Income available for fixed charges	87,497,706	69,400,931	128,605,737
Total fixed charges	30,793,493	31,488,235	29,962,161
Income after fixed charges	56,704,213	37,912,696	98,643,576
Other deductions	4,039,167	3,979,101	4,322,088
Net income	52,665,046	33,933,595	94,321,488
Depreciation (way & structure & equipment)	51,886,098	52,801,646	52,058,994
Federal income taxes	Cr7,824,238	11,884,823	23,532,918
Dividend appropriations:			
On common stock	24,110,682	58,266,637	22,293,333
On preferred stock	3,688,643	4,213,263	3,278,490
Ratio of income to fixed charges	2.84	2.20	4.29

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
● ITEMS REVISED

NOTE—Because of the large number of issues awaiting processing by the SEC it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm

Accesso Corp. (4/20)
Jan. 30, 1961 filed 40,000 shares of common stock and 40,000 shares of preferred stock (par $10) to be offered for public sale in units consisting of one share of common and one share of preferred stock. **Price**—$15 per unit. **Business**—The company is engaged in the design, manufacture and sale of fluorescent lighting systems, acoustical tile hangers, metal tiles and other types of acoustical ceiling systems. **Proceeds**—For the repayment of loans and general corporate purposes. **Office** — 3425 Bagley Avenue, Seattle, Wash. **Underwriter**—Ralph B. Leonard & Sons, Inc., New York City (managing).

Acme Missiles & Construction Corp.
Jan. 6, 1961 filed 30,000 outstanding shares of class A common stock. **Price** — To be supplied by amendment. **Business**—The construction and installation of missile launching platforms. **Proceeds**—To selling stockholders. **Office** — 43 North Village Avenue, Rockville Centre, N. Y. **Underwriter**—None.

● **ACR Electronics Corp. (4/24-28)**
Feb. 27, 1961 refiled 125,000 shares of common stock. **Price**—$3 per share. **Proceeds**—For salaries of additional personnel, liquidation of debt, research and the balance for working capital. **Office**—551 W. 22nd St., New York City. **Underwriter**—Robert Edelstein Co., Inc., New York City.

● **A-Drive Auto Leasing System, Inc. (4/10-14)**
Jan. 19, 1961 filed 100,000 shares of class A stock, of which 75,000 are to be offered for public sale by the company and 25,000 shares, being outstanding stock, by the present holders thereof. **Price**—$10 per share. **Business**—The company is engaged in the business of leasing automobiles and trucks for periods of over one year. **Proceeds**—To repay loans; open new offices in Philadelphia, Pa., and New Haven, Conn.; lease and equip a large garage in New York City and lease additional trucks. **Office**—1616 Northern Boulevard, Manhasset, N. Y. **Underwriter**—Hill, Darlington & Grimm, New York City (managing).

Adler Electronics, Inc. (4/17-21)
Feb. 20, 1961 filed 160,000 shares of common stock, of which 110,000 shares will be offered for the account of the issuing company and 50,000 shares, representing outstanding stock, will be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Proceeds** — For working capital. **Office**—New Rochelle, N. Y. **Underwriter** — Carl M. Loeb, Rhoades & Co., New York City (managing).

Advanced Investment Management Corp.
Jan. 13,1961 filed 300,000 shares of common stock. **Price**—$3.50 per share. **Business**—The company was organized in October, 1960 to operate an insurance home office service and management company with the related secondary purpose of owning investments in entities engaged in the insurance business. **Proceeds**—The company will use the proceeds estimated at $851,895 as a reserve for the acquisition of interests in life insurance; for furniture and fixtures; for the establishment of a sales organization and for working capital. **Office**—The Rector Building, Little Rock, Ark. **Underwriter**—Advanced Underwriters, Inc., Little Rock, Ark.

Aerotest Laboratories Inc. (5/22-26)
March 24, 1961 filed 100,000 shares of common stock, (par 10 cents), of which 40,000 shares are to be offered for public sale by the company and 60,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The testing of components and systems designed and manufactured under government contracts by companies in the missile, space, electronic and aircraft industries. **Proceeds**—To repay loans, buy additional equipment and for working capital. **Office**—Deer Park, L. I., N. Y. **Underwriter**—Hayden, Stone & Co., New York City (managing).

Airwork Corp. (4/24-28)
March 17, 1961 filed $1,500,000 of 6% subordinated debentures, due May 1, 1976 and 10-year warrants to purchase 125,000 shares of common stock, to be offered for public sale in units consisting of $1,000 of debentures and an unattached warrant to purchase an undisclosed number of common shares. **Price** — To be supplied by amendment. **Business**—The overhaul and sale of aircraft engines, instruments and accessories. **Proceeds**—To repay bank loans and for working capital. **Office**—Millville, N. J. **Underwriter** — Auchincloss, Parker & Redpath, Washington, D. C., and New York City.

Alaska Creamery Products, Inc.
Dec. 19, 1960 (letter of notification) 130,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—To purchase equipment, and other necessary materials for distribution of dairy products. **Address**—Anchorage, Alaska. **Underwriter**—To be named.

All-State Credit Corp. (4/20)
Feb. 21, 1961 filed 200,000 shares of class A stock. **Price**—$5 per share. **Business**—A sales finance company, specializing in the purchase of conditional sales contracts from furniture and appliance dealers throughout the New York City area. **Proceeds**—For the repayment of debt and for working capital. **Office**—71 West Merrick Blvd., Valley Stream, N. Y. **Underwriter**—Mortimer B. Burnside & Co., Inc.

All-Tech Industries, Inc.
Feb. 23, 1961 (letter of notification) 70,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—To repay a bank loan, retire a chattel mortgage and for working capital. **Address**—Miami, Fla. **Underwriter**—Robert L. Ferman & Co., Inc., Miami, Fla. **Offering**—Imminent.

America-Israel Phosphate Co.
Dec. 23, 1960 filed 125,000 shares of common stock, each share of which carries two warrants to purchase two additional common shares in the next issue of shares, at a discount of 25% from the offering price. **Price**—$4 per share. **Business**—The prospecting and exploration for phosphate mineral resources in Israel. **Proceeds**—For general business purposes. **Office** — 82 Beaver Street, New York City. **Underwriter**—Casper Rogers Co., New York City (managing).

★ **American Bowling Co., Inc.**
March 21, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—For working capital. **Address**—Little Rock, Ark. **Underwriter**—None.

American Educational Life Insurance Co.
Dec. 5, 1960 filed 960,000 shares of class A common voting stock (par $1) and 240,000 shares of class B nonvoting common stock to be sold in uints, each unit to consist of 4 shares of class A stock and one share of class B stock. **Price**—$25 per unit. **Business**—The writing of life insurance and allied lines of insurance. **Proceeds**—For capital and surplus. **Office** — Third National Bank Bldg., Nashville, Tenn. **Underwriter**—Standard American Securities, Inc., Nashville, Tenn.

American Financial Corp.
March 24, 1961 filed 175,000 shares of common stock, of which 125,000 shares are to be offered for public sale by the company and 50,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The operation of three Ohio savings and loan associations, an automobile and truck leasing business, and a small building contracting business in southern Ohio. **Proceeds**—The repayment of debt and for general corporate purposes. **Office**—3955 Montgomery Road, Norwood, Ohio. **Underwriter**—Westheimer & Co., Cincinnati, Ohio (managing). **Offering** — Expected in May.

● **American Gas Co.**
March 22, 1961 filed 101,081 shares of common stock to be offered for subscription by stockholders on the basis of 2.7 new shares for each share held. **Price**—$3.50 per share. **Proceeds**—To repay bank loans and for construction. **Office**—546 South 24th Ave., Omaha, Neb. **Underwriter**—Cruttenden, Podesta & Co., Chicago (managing). **Offering**—Expected in late April.

● **American Molded Fiberglass Co. (4/10)**
Dec. 27, 1960 (letter of notification) 37,043 shares of common stock (par 40 cents). **Price**—$4 per share. **Business** — Manufacturers of fiberglass swimming pools, canoes and small trailer bodies and other custom molded fiberglass products. **Proceeds** — For general corporate purposes. **Office** — 40 Lane St., Paterson, N. J. **Underwriter**—Vestal Securities Corp., New York, N. Y.

American Mortgage Investment Corp.
April 29, 1960 filed $1,800,000 4% 20-yr. collateral trust bonds and 1,566,000 shares of class A non-voting common stock. It is proposed that these securities will be offered for public sale in units (2,000) known as Investment Certificates, each representing $900 of bonds and 783 shares of stock. **Price**—$1,800 per unit. **Proceeds**—To be used principally to originate mortgage loans and carry them until market conditions are favorable for disposition. **Office** — 210 Center St., Little Rock, Ark. **Underwriter**—Amico, Inc.

American Telephone & Telegraph Co.
Jan. 27, 1961 filed 11,225,000 shares of capital stock being offered for subscription by stockholders on the basis of one new share for each 20 shares held of record Feb. 23, with rights to expire April 14. **Price**—$86 per share. **Proceeds**—For advances to subsidiaries, for the purchase of stock offered for subscription by such companies, for expansion of its own facilities and for general corporate purposes. **Office**—195 Broadway, New York City. **Underwriter**—None.

● **Amity Corp. (5/1)**
Jan. 17, 1961 filed 88,739 shares of common stock (par $1). **Price**—$3 per share. **Business**—Land development, including the building of an air strip, a marina, and a housing cooperative. This is the issuer's first public financing. **Proceeds**—For general corporate purposes, including $170,000 for construction and $12,000 for debt reduction. **Office**—Equitable Building, Baltimore, Md. **Underwriter**—Karen Securities Corp., New York City.

Ampoules, Inc. (4/24-28)
Feb. 28, 1961 filed 100,000 shares of common stock. **Price**—$4 per share. **Business**—The design and development of sterile disposable hypodermic ampoules for administering medication. **Proceeds**—For general corporate purposes including laboratory equipment, salaries for engineers, moulds and dies, and working capital. **Office**—238 North Main St., Hudson, Ohio. **Underwriters**—Brand,

So. Cal. Edison Bonds Offered

Blyth & Co., Inc., and associates offered publicly on April 5 an issue of $30,000,000 Southern California Edison Co. 4½% first and refunding mortgage bonds, series N, due 1986, at 101.203% to yield 4.42%. The group was awarded the issue at competitive sale on a bid of 100.481% for the 4½% coupon.

Net proceeds from the sale of the new bonds will be used by the company in part to retire all outstanding short-term bank loans, which are not expected to exceed $21,000,000. The balance will become treasury funds. It is expected that gross plant additions of the company for the years 1961-62 will total approximately $246,400,000.

The new bonds are not refundable prior to April 1, 1966 at a lower interest cost to the company. Otherwise, they are redeemable at the option of the company immediately at regular redemption prices ranging from 105.70% for those redeemed prior to March 31, 1962 to 100.00% for those redeemed on or after April 1, 1985.

The company is a public utility engaged in the business of generating, purchasing, transmitting, distributing and selling electric energy in portions of central and southern California, excluding the City of Los Angeles and certain other cities. The number of customers served by the company on Dec. 31, 1960 was 1,632,728.

Total operating revenues of the company in 1960 amounted to $305,799,000 and net income to $51,164,000. Effective Jan. 1, 1960, the company discontinued providing for deferred income taxes arising from liberalized depreciation. This change in accounting treatment had the effect of reducing the provision for income taxes and increasing reported net income by $5,588,000 for the year 1960. In 1959, total operating revenues were $280,115,000 and net income $43,630,000.

Giving effect to the sale of the new bonds, capitalization of the company at Dec. 31, 1960 was: $656,806,000 in long-term debt; 5,734,443 shares of preferred stock; 356,178 shares of preference stock; and 9,557,976 shares of common stock.

Shinn Common Stock Offered

Myron A. Lomasney & Co. offered on April 3 150,000 shares of common stock of Shinn Industries, Inc. at $6 per share. Proceeds of the offering will be used to discharge a bank loan to expand manufacturing facilities by purchasing additional machinery.

Shinn is engaged in the fabrication of aircraft and missile components on a sub-contract basis.

Shinn's principal office is at Wilmington, Del.

Forms Mutual Planning

FAIRLAWN, N. J.—Franklin V. Webb is engaging in a securities business from offices at 13-36 River Road under the firm name of Mutual Planning & Investment Company.

Grumet & Seigel, Inc., and Kesselman & Co., Inc., both of New York City.

Angeles Crest Development Co., Inc.
Feb. 27, 1961 filed $1,500,000 of 7% subordinated debentures due April 1, 1971 and 75,000 shares of common stock to be offered for public sale in units consisting of $500 of debentures and 25 common shares. **Price**—$632.50 per unit. **Business**—The company was organized under California law in April, 1960, to acquire land for the development of residential lots, a golf course and related facilities. **Proceeds** — For the payment of a mortgage note, for development expenses and for working capital. **Office**—3436 North Verdugo Road, Glendale, Calif. **Underwriters**—Dempsey-Tegeler & Co., St. Louis, Mo., and Lester, Ryons & Co., Los Angeles, Calif. **Offering**—Expected in late April.

★ Apache Corp.
March 31, 1961 filed 300 units in the Apache Gas and Oil Program 1962. **Price**—$15,000 per unit. **Business**—The acquisition, holding, testing, developing and operating of gas and oil leaseholds. **Proceeds**—For general corporate purposes. **Office**—523 Marquette Ave., Minneapolis, Minn. **Underwriter** — The company and its subsidiary, APA, Inc., will act as underwriters for the Program.

★ Apache Realty Corp.
March 31, 1961 filed 1,000 units in the First Apache Realty Program. **Price**—$5,000 per unit. **Business**—The Program plans to engage in the real estate business, with emphasis on the acquisition, development and operation of shopping centers, office buildings and industrial properties. **Proceeds** — For investment. **Office** — 523 Marquette Ave., Minneapolis, Minn. **Underwriter**—Blunt Ellis & Simmons, Chicago (managing).

Aqua-Chem, Inc.
March 3, 1961 filed 340,000 shares of common stock (par $1), of which 227,000 are to be offered for public sale by the company and 113,000 outstanding shares by Cleaver-Brooks Co., its parent. **Price**—To be supplied by amendment. **Business** — The company, formerly Cleaver-Brooks Special Products, Inc., is engaged principally in the development, manufacture and sale of equipment used for desalting and purifying sea and brackish water. **Proceeds** — For research and development and working capital. **Office** — 225 North Grand Ave., Waukesha, Wis. **Underwriters** — Carl M. Loeb, Rhoades & Co., New York City and Loewi & Co., Inc., Milwaukee, Wis. (managing). **Offering** — Expected in late April.

★ Arden Farms Co.
March 20, 1961 (letter of notification) 5,357 shares of preferred stock (no par). **Price**—$56 per share. **Proceeds**—To repay debt. **Office**—1509 Fourth Avenue, Seattle, Wash. **Underwriter**—None.

Arizona Color Film Processing Laboratories, Inc.
March 23, 1961 filed 2,100,500 shares of common stock to be offered for subscription by common stockholders on the basis of one new share for each share held. **Price**—22 cents per share. **Business**—The processing of black and white and color film. **Proceeds**—To repay loans and for working capital. **Office**—2 North 30th Street, Phoenix, Ariz. **Underwriter**—None.

Arkansas Power & Light Co. (5/15)
March 23, 1961 this subsidiary of Middle South Utilities filed $12,000,000 of first mortgage bonds, due 1991. **Office**—Ninth and Louisiana Streets, Little Rock, Ark. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co. and Dean Witter & Co. (jointly); Lehman Brothers; Stone & Webster Securities Corp. and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc. **Bids**—To be received May 15 at 11:30 a.m. (DST).

● Armstrong Paint & Varnish Works, Inc. (4/24-28)
March 9, 1961 filed 207,315 outstanding shares of common stock, to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The manufacture and sale of paint, varnish, lacquer and paint cans. **Proceeds**—For the selling stockholders. **Office**—1330 South Kilbourn Ave., Chicago, Ill. **Underwriter** — Lee Higginson Corp., New York City (managing).

★ Arrow Electronics, Inc.
March 30, 1961 filed 165,000 shares of common stock (par $1). **Price**—$5 per share. **Business**—The distribution of electronic equipment including high fidelity, radio and television components. **Proceeds**—To repay loans, expand facilities and for working capital. **Office** — 525 Jericho Turnpike, Mineola, L. I., N. Y. **Underwriter**—Arnold Malkan & Co., Inc., New York City. **Offering**—Expected in June.

● Astek Instrument Corp.
March 17, 1961 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Business**—The manufacture of flight instruments and control systems for missiles, space vehicles and aircraft. **Proceeds**—For leasehold improvements, furniture and equipment, the purchase of equipment, and working capital. **Office** — Armonk, N. Y. **Underwriter** — M. H. Woodhill, Inc., New York, N. Y.

Atlantic Fund for Investment in U. S. Government Securities, Inc.
July 22, 1960, filed 2,000,000 shares of common stock. **Price** — $25 per share. **Business** — A diversified investment company, which will become an open-end company with redeemable shares upon the sale and issuance of the shares being registered. **Proceeds**—For investment in U. S. Government securities. **Office**—50 Broad Street, New York City. **Underwriter**—Capital Counsellors, 50 Broad Street, New York City. **Note**—This company was formerly the Irving Fund for Investment in U. S. Government Securities, Inc.

Audiographic Inc.
Feb. 27, 1961 filed 150,000 shares of common stock. **Price**—$4 per share. **Business**—The manufacture and sale of fire and burglar warning systems. **Proceeds**—To establish subsidiaries, buy equipment to make component parts of warning systems now manufactured by others, reduce indebtedness, add to inventory, and for working capital. **Office**—Bellemore, L. I., N. Y. **Underwriter**—First Broad Street Corp., New York City (managing).

Automatic Canteen Co. of America
Feb. 7, 1961 filed 127,725 outstanding common shares. **Price** — To be supplied by amendment. **Business**—The development, manufacture, sale, lease and servicing of vending machines. **Proceeds**—To the selling stockholders. **Office**—Merchandise Mart Plaza, Chicago, Ill. **Underwriter**—None.

Automation Development, Inc. (4/10-14)
Jan. 27, 1961 (letter of notification) 40,000 shares of common stock (par 5 cents). **Price**—$3.75 per share. **Proceeds**—For further development of the "Skyjector." **Office**—342 Madison Ave., New York City. **Underwriter**—First Philadelphia Corp., New York, N. Y.

B. M. C. Industries, Inc.
March 1, 1961 filed 50,000 shares of 7% non-cumulative preferred stock (par $7.50); and 200,000 shares of common stock (par one cent), of which 50,000 shares are to be offered for public sale by the company and 150,000 outstanding shares by the present holder thereof. The offering will be made in units, each unit to consist of one preferred share and four common shares. **Price**—$11.50 per unit. **Business**—The company, formerly Beakatron Manufacturing Corp., manufactures, assembles and distributes a diverse line of electronic components for use in guidance and communication systems. **Proceeds**—For expansion and working capital. **Office**—1101 1109 Utica Ave., Brooklyn, N. Y. **Underwriter**—International Services Corp., Paterson, N. J.

★ BarChris Construction Corp.
March 30, 1961 filed $3,500,000 of convertible subordinated debentures, due May 1, 1976. **Price**—To be supplied by amendment. **Business**—The design, manufacture and sale of bowling alleys and bowling equipment. **Proceeds**—For construction of a new plant, development of new products and working capital. **Office**—35 Union Square West, New York City. **Underwriter**—Drexel & Co., New York City (managing). **Offering** — Expected some time in May.

Beam (James B.), Distilling Co. (5/17)
March 24, 1961 filed 200,000 outstanding common shares. **Price**—To be supplied by amendment. **Business**—The production of whiskeys, vodka, brandies and cordials. **Proceeds**—For the selling stockholders. **Office**—65 East South Water Street, Chicago, Ill. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

Beckman Instruments, Inc.
Feb. 21, 1961 filed 69,933 shares of common stock (par $1) being offered for subscription by common stockholders of record March 28, on the basis of one share for each 20 shares held with rights to expire on April 11. **Price** — $114 per share. **Business** — Manufactures electronic instruments, components and systems, including precision analytical instruments, computers, precision potentiometers, radiation and medical instruments. **Office**—2500 Harbor Blvd., Fullerton, Calif. **Underwriter**—Lehman Brothers, New York City (managing).

Beryllium Manufacturing Corp.
Feb. 27, 1961 filed 105,000 shares of common stock. **Price**—$4.50 per share. **Business** — The fabrication of pure beryllium components and other materials. **Proceeds**—For expansion and inventory, with the balance for working capital. **Office**—253 W. Merrick Rd., Valley Stream, L. I., N. Y. **Underwriter**—Eldes Securities Corp., New York City. **Offering**—Expected in late April.

Big Boy Properties, Inc.
March 20, 1961 filed 100,000 shares of common stock. **Price**—$10 per share. **Business**—The company plans to operate a chain of "Big Boy" restaurants in California. **Proceeds** — For the purchase of restaurants and other properties. **Office**—1001 East Colorado Street, Glendale, Calif. **Underwriter**—None.

Blatt (M.) Co. (4/24-28)
Feb. 28, 1961 filed 100,000 shares of common stock (par 25 cents). **Price**—To be supplied by amendment. **Business** — The issuer manufactures and installs bowling lanes and related equipment. **Proceeds**—For expansion, new equipment, the repayment of debts and for working capital. **Office**—315 Third St., Trenton, N. J. **Underwriters**—Maltz, Greenwald & Co., New York City (managing); Clayton Securities Corp., Boston, Mass.; Rodetsky, Kleinzahler, Walker & Co., Jersey City, N. J.; and L. C. Wegard & Co., Levittown, N. J.

Borman Food Stores, Inc. (4/10-12)
Feb. 14, 1961 filed 52,000 outstanding shares of common stock. **Price**—To be related to the current market price on the New York Stock Exchange at the time of the offering. **Business** — Operates a chain of "Food Fair" supermarkets in the Detroit area. **Proceeds** — For the selling stockholders. **Office** — 12300 Mark Twain Ave., Detroit, Mich. **Underwriter** — Shields & Co. New York City.

★ Bowl-Mor Co., Inc.
March 29, 1961 filed 38,474 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—At the market. **Business**—The manufacture and distribution of pin-setting machines used in bowling. **Proceeds**—For the selling stockholders.

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NEW ISSUE CALENDAR

April 10 (Monday)

A-Drive Auto Leasing System, Inc.________Class A
(Hill, Darlington & Grimm) $1,000,000
American Molded Fiberglass Co.__________Common
(Vestal Securities Corp.) $148,172
Automation Development, Inc.__________Common
(First Philadelphia Corp.) $150,000
Borman Food Stores, Inc.______________Common
(Shields & Co.) 52,000 shares
Brooks Instrument Co., Inc.____________Common
(Andresen & Co.) 150,000 shares
California Financial Corp.______________Capital
(William R. Staats & Co. and J. Barth & Co.) 88,977 shares
Clifton Precision Products Co., Inc.______Common
(W. C. Langley & Co.) 60,000 shares
Irvington Steel & Iron Works____________Common
(L. L. Fane & Co., Inc.) $300,000
Majestic Specialties, Inc.______________Common
(Hayden, Stone & Co.) 140,000 shares
Mansfield Industries, Inc.______________Common
(McDonnell & Co., Inc.) 150,000 shares
Marcon Electronics Corp._______________Common
(Meade & Co.) $300,000
National Food Marketers, Inc.___________Common
(Robert Edelstein Co., Inc.) $400,000
Palm Developers Limited________________Common
(David Barnes & Co., Inc.) $300,000
Personal Property Leasing Co.___________Capital
(Dempsey-Tegeler & Co.) $975,000
Presidential Realty Corp.______________Common
(Burnham & Co.) 150,000 shares
Progress Webster Electronics Corp.______Common
(Marron, Sloss & Co., Inc.) $675,000
Resitron Laboratories, Ltd.____________Common
(D. E. Liederman & Co., Inc.) $200,000
Winston-Muss Corp.______________________Units
(Lee Higginson Corp.) $9,000,000

April 11 (Tuesday)

Colber Corp. ___________________________Common
(Richard Bruce & Co., Inc.) $300,000
Commonwealth International & General Fund_Com.
(North American Securities Co.) Amount unknown
Max Factor & Co.________________________Class A
(Blyth & Co., Inc.) 400,000 shares
New England Telephone & Telegraph Co.__Debs.
(Bids to be received) $45,000,000

April 12 (Wednesday)

Dekcraft Corp.__________________________Common
(Carter, Berlind, Potoma & Weill) 92,000 shares
Spiegel Corp. _______________________Debentures
(Wertheim & Co.) $40,000,000
United International Fund Ltd.__________Common
(Kidder, Peabody & Co.; Bache & Co. and Francis I. du Pont & Co.) $12,500,000

April 13 (Thursday)

Hawaiian Electric Co., Ltd.________________Bonds
(Dillon, Read & Co., Inc. and Dean Witter & Co.) $12,000,000
Selas Corp. of America__________________Common
(Eastman Dillon, Union Securities & Co.) 170,000 shares

April 17 (Monday)

Adler Electronics, Inc.__________________Common
(Carl M. Loeb, Rhoades & Co.) 160,000 shares
Chalco Engineering Corp.________________Common
(First Broad Street Corp.) $600,000
Chroma-Glo, Inc. ______________________Common
(Jamieson & Co.) $297,000
Coleman Engineering Co., Inc.___________Common
(Auchincloss, Parker & Redpath) 175,000 shares
Colonial Mortgage Service Co.___________Common
(Drexel & Co. and Stroud & Co.) 100,000 shares
Community Research & Developm't, Inc.__Common
(Offering to stockholders—underwritten by Alex. Brown & Sons) 620,445 shares
Consolidated Activities, Inc.__________Debentures
(G. F. Nicholls & Co., Inc.) $1,000,000
Consolidated Activities, Inc.___________Common
(G. F. Nicholls & Co., Inc.) $175,000
Dynatronics, Inc._______________________Common
(R. S. Dickson & Co.) 120,000 shares
Fulton Industries, Inc.__________________Common
(Robinson-Humphrey Co., Inc. and Walston & Co., Inc.) 233,955 shares
Hickory Industries, Inc.________________Common
(J. B. Coburn Associates, Inc.) $125,000
Honey Dew Food Stores, Inc._____________Common
(Underwriter to be named) $290,000
Income Planning Corp.____________________Units
(Espy & Wanderer, Inc.) $200,000
Independent Telephone Corp._____________Common
(Burnham & Co.) 350,000 shares
Kreisler (Charles) Inc.__________________Common
(Albion Securities Co., Inc.) $300,000
Mohawk Insurance Co.___________________Common
(R. F. Dowd & Co., Inc.) $900,000
Nedick's Stores, Inc.____________________Common
(Van Alstyne, Noel & Co.) 185,000 shares
Ohio-Franklin Fund, Inc.________________Common
(Distributor—The Ohio Co.) 2,000,000 shares
Roblin-Seaway Industries, Inc.___________Class A
(Brand, Grumet & Seigel, Inc.) $480,000
Talley Industries, Inc.________________Debentures
(Adams & Peck and McDonnell & Co., Inc.) $1,500,000
Tronomatic Corp. _______________________Common
(Plymouth Securities Corp.) $260,000
U. S. Mfg. & Galvanizing Corp.__________Common
(Armstrong Corp.) $300,000
Vitamix Pharmaceutical, Inc.____________Common
(Bache & Co.) 100,000 shares
White Shield Corp.______________________Common
(Adams & Peck) 50,000 shares
Wolf Corporation _______________________Class A
(No underwriting) $300,000

April 18 (Tuesday)

Charles of the Ritz, Inc.________________Common
(White, Weld & Co., Inc.) 215,000 shares
Missouri Pacific RR.______________Equip. Trust Ctfs.
(Bids to be received) $6,000,000

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April 19 (Wednesday)

Mack Trucks, Inc.____Debentures
(Eastman Dillon, Union Securities & Co.) $20,000,000

Minneapolis-Honeywell Regulator Co.____Preference
(Eastman Dillon, Union Securities & Co.) 250,000 shares

Minneapolis-Honeywell Regulator Co.____Debens.
(Eastman Dillon, Union Securities & Co.) $25,000,000

United States Steel Corp.____Debentures
(Morgan Stanley & Co.) $300,000,000

April 20 (Thursday)

Accesso Corp.____Units
(Ralph B. Leonard & Sons, Inc.) $600,000

All-State Credit Corp.____Class A
(Mortimer B. Burnside & Co., Inc.) $1,000,000

Customline Control Panels, Inc.____Common
(Blaha & Co., Inc.) $300,000

Grolier Inc.____Common
(Dominick & Dominick) 120,000 shares

Haloid Xerox Inc.____Debentures
(Offering to stockholders—underwritten by First Boston Corp.) $15,093,600

Orange & Rockland Utilities, Inc.____Bonds
(Bids to be received) $12,000,000

Transcontinental Gas Pipe Line Corp.____Bonds
(White, Weld & Co. and Stone & Webster Securities Corp.) $35,000,000

April 24 (Monday)

ACR Electronics Corp.____Common
(Robert Edelstein Co., Inc.) $375,000

Airwork Corp.____Units
(Auchincloss, Parker & Redpath) $1,500,000

Ampoules, Inc.____Common
(Brand, Grumet & Seigel, Inc. and Kesselman & Co., Inc.) $400,000

Armstrong Paint & Varnish Works, Inc.____Common
(Lee Higginson Corp.) 207,315 shares

Blatt (M.) Co.____Common
(Maltz, Greenwald & Co.; Clayton Securities Corp.; Rodetsky, Kleinzahler, Walker & Co. and L. C. Wegard & Co.) 100,000 shares

Dixie Natural Gas Corp.____Common
(Vestal Securities Corp.) $300,000

Duke Power Co.____Common
(Offering to stockholders—no underwriting) 368,000 shares

Electro-Mechanical Corp.____Common
(Manufacturers Securities Corp.) $224,200

Fabien Corp.____Common
(Goodbody & Co.) $405,000

Geriatric Pharmaceutical Corp.____Common
(T. M. Kirsch Co.) $200,000

Hurletron, Inc.____Common
(F. S. Moseley & Co.) 150,000 shares

Jodmar Industries, Inc.____Common
(Fontana Securities, Inc.) $300,000

Kings Electronics Co., Inc.____Common
(Ross, Lyon & Co., Inc.) $1,180,748

National Fuel Gas Co.____Debentures
(Bids 11 a.m. EST) $27,000,000

Northern Instrument Corp.____Common
(I. R. E. Investors Corp.) $300,000

Publishers Co., Inc.____Common
(Amos Treat & Co., Inc. and Roth & Co., Inc.) $2,200,000

Tassette, Inc.____Class A
(Amos Treat & Co., Inc.) 200,000 shares

Thrift Courts of America, Inc.____Units
(Myron A. Lomasney & Co.) $1,600,000

United States Freight Co.____Debentures
(Offering to stockholders—underwritten by Merrill Lynch, Pierce, Fenner & Smith, Inc.) $15,393,900

April 25 (Tuesday)

Endevco Corp.____Common
(White, Weld & Co.) 125,000 shares

Iowa-Illinois Gas & Electric Co.____Bonds
(Bids 10 a.m., CST) $15,000,000

Motorola, Inc.____Debentures
(Halsey, Stuart & Co. and Goldman, Sachs & Co.) $30,000,000

New England Telephone & Telegraph Co.____Com.
(Offering to stockholders—no underwriting) 3,149,615 shares

April 26 (Wednesday)

Madison Gas & Electric Co.____Bonds
(Bids 10 a.m., CST) $7,000,000

April 27 (Thursday)

General Precision Equipment Corp.____Common
(The First Boston Corp. and Tucker, Anthony and R. L. Day) 150,000 shares

May 1 (Monday)

Amity Corp.____Common
(Karen Securities Corp.) $226,217

Dodge Wire Corp.____Common
(Plymouth Securities Corp.) $600,000

Economy Book Co.____Common
(Hayden, Stone & Co.) 150,000 shares

Elion Instruments, Inc.____Capital
(Warner, Jennings, Mandel & Longstreth) 60,000 shares

General Economics Corp.____Common
(Continental Planning Co.) $650,000

Opelika Manufacturing Corp.____Common
(Glore, Forgan & Co.) 200,000 shares

Panacolor, Inc.____Common
(Federman, Stonehill & Co.) $800,000

Seacrest Industries Inc.____Common
(A. J. Gabriel Co., Inc. and Williamson Securities Corp.) $160,000

Season-All Industries, Inc.____Common
(Moore, Leonard & Lynch) 100,000 shares

Sigma Instruments, Inc.____Common
(W. C. Langley & Co.) 200,000 shares

Spartans Industries, Inc.____Common
(Shearson, Hammill & Co. and J. C. Bradford & Co.) 200,000 shares

Stratton Corp.____Debentures
(Cooley & Co.) $550,000

Victoreen Instrument Co.____Common
(Van Alstyne, Noel & Co.) 350,000 shares

Washington Natural Gas Co.____Common
(Offering to stockholders—underwritten by Dean Witter & Co.; Blyth & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith, Inc.) 118,384 shares

May 2 (Tuesday)

Bell Telephone Co. of Pennsylvania____Debentures
(Bids to be received) $50,000,000

May 3 (Wednesday)

Washington Gas Light Co.____Bonds
(Bids 11 a.m. DST) $15,000,000

May 4 (Thursday)

Chicago, Burlington & Quincy RR.____Equip. Tr. Ctfs.
(Bids to be received) $4,800,000

Sierra Pacific Power Co.____Common
(Offering to stockholders—no underwriting) Approximately 132,570 shares

May 8 (Monday)

Electronic Assistance Corp.____Common
(Hayden, Stone & Co.) 110,000 shares

May 9 (Tuesday)

King Kullen Grocery Co., Inc.____Class A
(Hemphill, Noyes & Co. and Estabrook & Co.) 180,000 shares

Peoples Gas Light & Coke Corp.____Bonds
(Bids 11a.m. DST) $30,000,000

May 10 (Wednesday)

CTS Corp.____Common
(Goldman, Sachs & Co.) 300,000 shares

New York Central RR.____Equip. Trust Ctfs.
(Bids to be received) $4,155,000

May 11 (Thursday)

Sierra Pacific Power Co.____Bonds
(Bids to be received) $6,500,000

May 15 (Monday)

Arkansas Power & Light Co.____Bonds
(Bids 11:30 a.m. DST) $12,000,000

Criterion Insurance Co.____Common
(Offering to stockholders—no underwriting) $3,120,000

North Electric Co.____Common
(Offering to stockholders—no underwriting) 22,415 shares

Wayne-George Corp.____Common
(Hayden, Stone & Co.) 80,000 shares

May 16 (Tuesday)

Harcourt Brace & World, Inc.____Common
(White, Weld & Co., Inc.) 101,398 shares

New York State Electric & Gas Corp.____Bonds
(Bids 11 a.m. DST) $25,000,000

May 17 (Wednesday)

Beam (James B.) Distilling Co.____Common
(Goldman, Sachs & Co.) 200,000 shares

Pennsylvania Electric Co.____Bonds
(Bids 11 a.m. DST) $10,000,000

May 18 (Thursday)

Interstate Power Co.____Bonds
(Bids 11 a.m. DST) $9,000,000

Interstate Power Co.____Common
(Offering to stockholders—Bids 11 a.m. DST) 223,833 shares

May 22 (Monday)

Aerotest Laboratories Inc.____Common
(Hayden, Stone & Co.) 100,000 shares

Harwyn Publishing Corp.____Common
(N. A. Hart & Co.) $412,500

Ohio Edison Co.____Bonds
(Bids 11:30 a.m. DST) $30,000,000

May 23 (Tuesday)

Michigan Consolidated Gas Co.____Bonds
(Bids 10:30 a.m. DST) $30,000,000

May 24 (Wednesday)

Consolidated Natural Gas Co.____Debentures
(Bids 11:30 a.m. DST) $40,000,000

May 25 (Thursday)

New Orleans Public Service, Inc.____Bonds
(Bids 11:30 a.m. DST) $15,000,000

May 29 (Monday)

Rocket Jet Engineering Corp.____Common
(Thomas Jay, Winston & Co., Inc. and Maltz, Greenwald & Co.) 110,000 shares

May 31 (Wednesday)

Indiana & Michigan Electric Co.____Debentures
(Bids 11:30 a.m. DST) $20,000,000

June 1 (Thursday)

Columbia Gas System, Inc.____Debentures
(Bids to be received) $30,000,000

June 5 (Monday)

Pennsylvania Electric Co.____Debentures
(Bids noon DST) $12,000,000

June 6 (Tuesday)

American Telephone & Telegraph Co.____Bonds
(Bids to be received) $250,000,000

Public Service Electric & Gas Co.____Common
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) 900,000 shares

June 7 (Wednesday)

Community Public Service Co.____Bonds
(Bids to be received) $5,000,000

June 8 (Thursday)

Brooklyn Union Gas Co.____Bonds
(Bids to be received) $20,000,000

June 13 (Tuesday)

Virginia Electric & Power Co.____Bonds
(Bids 11 a.m. DST) $30,000,000

June 14 (Wednesday)

Michigan Wisconsin Pipe Line Co.____Bonds
(Bids 11 a.m. DST) $30,000,000

June 15 (Thursday)

Photronics Corp.____Common
(Offering to stockholders—underwritten by L. D. Sherman & Co.) 150,000 shares

Southern Electric Generating Co.____Bonds
(Bids 11 a.m. DST) $25,000,000

June 20 (Tuesday)

Consolidated Edison Co. of New York, Inc.____Bonds
(Bids 11 a.m. DST) $50,000,000

June 27 (Tuesday)

Massachusetts Electric Co.____Bonds
(Bids to be received) $17,500,000

August 8 (Tuesday)

Northern States Power Co.____Bonds
(Bids to be received) $20,000,000

September 28 (Thursday)

Mississippi Power Co.____Bonds
(Bids to be received) $5,000,000

Mississippi Power Co.____Preferred
(Bids to be received) $5,000,000

October 18 (Wednesday)

Georgia Power Co.____Bonds
(Bids to be received) $15,500,000

Georgia Power Co.____Preferred
(Bids to be received) $8,000,000

December 5 (Tuesday)

Virginia Electric & Power Co.____Bonds
(Bids to be received) $15,000,000

December 7 (Thursday)

Gulf Power Co.____Bonds
(Bids to be received) $5,000,000

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Office—Newtown Road, Littleton, Mass. **Underwriter**—None.

Briel Industries, Inc.
Feb. 17, 1961 (letter of notification) 11,590 shares of class A common stock (par $2.50) to be offered for subscription by stockholders on the basis of one new share for each 16 shares held. **Price**—$8 per share. **Proceeds**—For construction and working capital. **Address**—Industrial Park, Shelbyville, Ky. **Underwriters**—J. J. B. Hilliard & Son and Stein Bros. & Boyce, both of Louisville, Ky.

Broadcast International, Inc.
Feb. 28, 1961 (letter of notification) 60,000 shares of common stock (par five cents). **Price**—$5 per share. **Business**—Producers of radio and television programs. **Proceeds**—For general corporate purposes. **Office**—3 W. 57th St., New York City. **Underwriter**—Harry Odzer Co., New York, N. Y.

• Brooks Instrument Co., Inc. (4/10-14)
Feb. 16, 1961 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—Formerly known as Brooks Rotameter Co., the firm manufactures variable area flow meters, generally called "rotometers." **Proceeds**—For European expansion, research and development, and working capital. **Office**—407 West Vine St., Hatfield, Pa. **Underwriter**—Andresen & Co., New York City.

Brown Fintube Co.
March 27, 1961 filed 122,000 shares of class A common stock (par $1), of which 100,000 shares are to be offered for public sale by the company and 22,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The production of heat-transfer equipment for use primarily in the petrochemical, chemical and refining industries. **Proceeds** — For new equipment and working capital. **Office**—300 Huron Street, Elyria, Ohio. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City. **Offering**—Expected in May.

★ Burgmaster Corp.
March 23, 1961 filed 190,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The manufacture of multiple spindle-turret drilling machines. **Proceeds**—To repay loans, purchase additional equipment and real estate, and for working capital. **Office**—15001 South Figueroa Street, Gardena, Calif. **Underwriter**—Shearson, Hammill & Co., New York City (managing). **Offering**—Expected in early May.

Business Finance Corp.
Aug. 5, 1960 (letter of notification) 195,000 shares of common stock (par 20 cents). **Price** — $1.50 per share. **Proceeds**—For business expansion. **Office**—1800 E. 26th St., Little Rock, Ark. **Underwriter**—Cohn Co., Inc., 309 N. Ridge Road, Little Rock, Ark.

★ CME Manufacturing Co.
March 27, 1961 (letter of notification) 75,000 shares of common stock (no par). **Price**—$2 per share. **Proceeds**—For the repayment of a bank loan, and inventory. **Office**—3754 Midway Drive, San Diego, Calif. **Underwriter**—None.

CTS Corp. (5/10)
March 16, 1961 filed 300,000 shares of common stock (no par) of which 75,000 shares are to be offered for public sale by the company and 225,000 outstanding shares by the present holders thereof. **Price** — To be supplied by

amendment. **Business**—Manufactures electronic and electro-mechanical components, primarily variable resistors and associated switches. **Proceeds**—To repay debt and for working capital. **Office**—1142 West Beardsley Ave., Elkhart, Ind. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

Cable Carriers, Inc.
March 23, 1961 filed 196,109 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The company which began operations in 1954, is engaged in the research and development of special material handling systems for industrial and commercial use based on company-owned patents. **Proceeds**—For working capital. **Office**—Kirk Boulevard, Greenville, S. C. **Underwriter**—To be named.

Cad-E-Mobile Corp. of America
March 20, 1961 (letter of notification) 60,000 shares of class A common stock (par five cents). **Price**—$2 per share. **Proceeds** — For salaries, advertising, inventory, and working capital. **Office**—1830 N. E. 163rd Street, North Miami Beach, Fla. **Underwriter**—Lloyd, Miller & Co., Washington, D. C.

• California Financial Corp. (4/10-14)
Feb. 23, 1961 filed 88,977 shares of capital stock, of which 35,000 are to be offered for public sale by the company and 53,977 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company, through a subsidiary is engaged in the savings and loan business in the San Francisco area. It also conducts an insurance agency business, renders management services to its subsidiaries and participates in the financing of real estate development projects. **Proceeds**—For the repayment of loans and for expansion. **Office** — 11 Tillman Place, San Francisco, Calif. **Underwriters**—William R. Staats & Co., Los Angeles and J. Barth & Co., San Francisco.

• California Liquid Gas Corp.
March 21, 1961 filed 125,000 shares of common stock (par $1), of which 50,000 are to be offered for public sale by the company and 75,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business** — The sale and distribution of liquified petroleum gas and accessory equipment. **Proceeds**—To finance the acquisitions of Ransome Co. of Nevada and Liquiefuel, Inc., to retire debt and for working capital. **Office**—P. O. Box 5073, Sacramento, Calif. **Underwriter**—Kidder, Peabody & Co., New York City (managing). **Offering**—Expected in early May.

Central Hadley Corp.
Jan. 27, 1961 filed 41,829 outstanding shares of 5% cumulative convertible preferred stock (par $10), and 481,450 outstanding common shares. **Business**—A holding company with three wholly owned subsidiaries; B. H. Hadley, Inc., which designs, develops, tests and manufactures precision components for fluid control and regulation systems for the missile industry; Stellardyne Laboratories, Inc., which sells testing and cleaning services to the missile industry; and Central Explorers Co., which owns oil leases and develops the leases. **Proceeds**—To the selling stockholders. **Office**—596 North Park Avenue, Pomona, Calif. **Underwriter**—None.

• Central Mutual Telephone Co., Inc.
March 6, 1961 (letter of notification) 20,000 shares of common stock (par $10) being offered for subscription by stockholders of record April 4, at the rate of 24 new shares for each 100 shares held with rights to expire April 21. **Price** — $14 per share. **Proceeds** — To repay short-term notes. **Address** — c/o C. Lacey Comption, Esq., Manassas, Va. **Underwriter**—Folger, Nolan, Fleming-W. B. Hibbs & Co., Inc., Washington, D. C.

• Cerel-Perini Associates, Inc.
Feb. 27, 1961 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is engaged in the business of acquiring and developing land for use as industrial parks. **Proceeds**—For acquisitions, preparation of land and the construction of buildings for lease. **Office**—17 Strathmore Road, Natick, Mass. **Underwriter** — Bear, Stearns & Co., New York City. **Note**:—This statement was withdrawn on April 1.

Chalco Engineering Corp. (4/17)
Jan. 30, 1961 filed 100,000 shares of common stock. **Price**—$6 per share. **Business**—The company is engaged in the business of engineering, research, development, manufacturing and installation of custom communication systems and electronic, electro-mechanical and mechanical systems and devices for ground support facilities for missile and space programs of the U. S. Government. The company also manufactures special purpose products sold for military use. **Proceeds**—For the repayment of loans and for working capital. **Office** — 15126 South Broadway, Gardena, Calif. **Underwriter** — First Broad Street Corp., New York City (managing).

Charles of the Ritz, Inc. (4/18)
March 7, 1961 filed 215,000 outstanding shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The firm makes and sells cosmetics and toilet preparations for women and, through a subsidiary, makes and sells pencils and ball point pens and related products. **Proceeds**—For a selling stockholder. **Office**—11 E. 58th Street, New York City. **Underwriter**—White, Weld & Co., Inc., New York City (managing).

★ Charleston Rubber Co.
March 23, 1961 (letter of notification) 15,000 shares of common stock (par $5). **Price**—$10 per share. **Proceeds**—For purchase of new equipment, research and development and working capital. **Office**—Stark Industrial Park, Charleston, S. C. **Underwriter** — Johnson, Coleman, Manning & Smith, Inc., 8 State Street, Charleston, S. C.

Chroma-Glo, Inc. (4/17-20)
March 2, 1961 (letter of notification) 90,000 shares of common stock (par 50 cents). **Price** — $3.30 per share. **Business** — The manufacture of pressure sensitive emblems. **Proceeds**—For payment of obligations; purchase of equipment; and for working capital. **Office**—525 Lake Ave., S., Duluth 2, Minn. **Underwriter**—Jamieson & Co., Minneapolis, Minn.

Church Builders, Inc.
Feb. 6, 1961 filed 50,000 shares of common stock, series 2. **Price**—$5.50 per share. **Business**—A closed-end diversified investment company of the management type. **Proceeds**—For investment. **Office**—501 Bailey Avenue, Fort Worth, Texas. **Distributor**—Associates Management, Inc., Fort Worth, Texas.

Circle-The-Sights, Inc.
March 30 filed 165,000 shares of common stock and $330,000 of debentures (10-year 8% redeemable). **Price**—For stock, $1 per share; debentures in units of $1,000 at their principal amount. **Proceeds**—For initiating sight-seeing service. **Office**—Washington, D. C. **Underwriter**—None.

★ Clairtone Sound Corp. Ltd.
March 29, 1961 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The design, manufacturing and distribution of stereophonic high fidelity radio-phonograph consoles and accessories **Proceeds** — For research and development, expansion, increased inventories and repayment of debt. **Office**—118 Rivalda Road, Weston, Ont., Canada. **Underwriter**—Reiner, Linburn & Co., New York City (managing).

• Clifton Precision Products Co., Inc. (4/10-14)
Feb. 16, 1961 filed 60,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is engaged in the design, development, produtcion and sale of synchros, instrument servomotors and certain servo-mechanisms for use primarily in aircraft and missiles. **Proceeds**—For the selling stockholder. **Office** — Marple Ave., at Broadway, Clifton Heights, Pa. **Underwriter**—W. C. Langley & Co., New York City.

Coastal Acceptance Corp.
March 1, 1961 (letter of notification) $175,000 of 10-year 7% registered series notes to be offered in varying denominations of $100 to $1,000. **Proceeds** — For general corporate purposes. **Office** — 36 Lowell Street, Manchester, N. H. **Underwriter**—Shontell & Varick, Manchester, N. H.

★ Coastal Publications Corp.
March 30, 1961 filed 110,000 shares of common stock (par 60 cents). **Price**—To be supplied by amendment. **Business**—The preparation of technical literature on the use and maintenance of complicated electronic equipment produced for the Department of Defense. **Proceeds**—For general corporate purposes. **Office**—130 W. 42nd Street, New York City. **Underwriter**—Jesup & Lamont, New York City.

• Colber Corp. (4/11)
Jan. 26, 1961 (letter of notification) 100,000 shares of common stock (par 20 cents). **Price**—$3 per share. **Business**—Manufacturers of resistors. **Proceeds**—For purchase of machinery and equipment, leasehold improvements and for working capital. **Office**—26 Buffington St., Irvington, N. J. **Underwriter**—Richard Bruce & Co., Inc., 80 Pine St., New York 5, N. Y.

• Coleman Engineering Co., Inc. (4/17-21)
Feb. 28, 1961 filed 175,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The design, development, manufacture and sale of missile ground handling equipment, electromechanical parts, products and systems. **Proceeds**—To retire bank borrowings, with the balance for working capital and general corporate purposes. **Office**—1010 South Flower St., Los Angeles, Calif. **Underwriter** — Auchincloss, Parker & Redpath, Washington, D. C. (managing).

• Colonial Mortgage Service Co. (4/17-24)
Jan. 31, 1961 filed 100,000 shares of common stock (par $1). **Price** — To be supplied by amendment. **Business**—Originating and servicing mortgage loans for institutional investors. **Office** — 141 Garrett Road, Upper Darby, Pa. **Underwriters**—Drexel & Co., and Stroud & Co., both of Philadelphia, Pa. (jointly).

Commercial Investment Co.
March 2, 1961 (letter of notification) 25,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—For purchase of stock in a customer's showroom; payment on a note and for working capital. **Office**—1963 W. Burnside St., Portland, Ore. **Underwriter**—Shiels Securities Inc., Portland, Ore.

• Community Research & Development, Inc. (4/17-21)
Feb. 27, 1961 filed 620,445 shares of common stock to be offered for subscription by holders of its common stock and 6% convertible debentures due Jan. 1, 1972 on the basis of one new share for each two common shares held, and 105 shares for each $1,000 of debentures held. **Price**—To be supplied by amendment. **Business**—The development, ownership and management of income producing real estate projects. **Proceeds** — For construction. **Office**—14 West Saratoga Street, Baltimore, Md. **Underwriter**—Alex. Brown & Sons, Baltimore, Md. (managing).

★ Comptometer Corp.
March 31, 1961 filed 160,401 shares of common stock to be offered for subscription by holders of outstanding common stock; 6½% subordinated convertible sinking fund debentures, series A, due 1970; and option agreements for the purchase of common shares. Warrants will be issued on the basis of one right for each common share held on the record date, one right for each share issuable upon conversion of a series A debenture, as if such debenture had been converted, and one right for each share issuable under the option agreements. The warrants will provide that one new share will be issuable for each eight rights tendered. **Price**—To be supplied by amendment. **Business**—The company's activities are organized on a divisional basis—Business Machines, Communications and Electronics, Business Forms, Burke Golf and Worthington Golf Ball Divisions. **Proceeds**—For the repayment of debt and for working capital. **Office**—5600 West Jarvis Ave., Chicago, Ill. **Underwriters** — To be named.

Consolidated Activities, Inc. (4/17)
Feb. 28, 1961 filed $1,000,000 of 6½% convertible subordinated debentures, due April 30, 1976, to be offered by the company and 50,000 shares of common stock (par 50c) to be offered by a selling stockholder. **Price**—(Debenture) 101% of the principal amount. (Stock) $3.50 per share. **Business**—The issuer is principally engaged in the construction and operation of bowling alleys. **Proceeds**—To retire a mortgage and outstanding debentures, for construction of a new bowling alley, for general corporate purposes. **Office**—26 West Northfield Road, Livingston, N. J. **Underwriter**—G. F. Nicholls & Co., Inc., 1 Maiden Lane, New York 38, N. Y.

★ Consolidated Bowling Corp.
March 29, 1961 filed 738,000 shares of common stock and $900,000 of 6% convertible subordinated debentures, due in July, 1981. **Prices**—For the stock: $3.50 per share; for the debentures: 100% of principal amount. **Business**—Operates bowling centers and owns real estate. **Proceeds** — For expansion. **Office** — 880 Military Road, Niagara Falls, N. Y. **Underwriter**—None.

★ Consolidated Business Systems, Inc.
March 30, 1961 filed 200,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The design, development, manufacture and sale of standard and custom made printed and lithographed business forms. **Proceeds** — To repay loans, purchase additional equipment, and for working capital. **Office** — 400 Jersey Avenue, New Brunswick, N. J. **Underwriter**—Milton D. Blauner & Co., Inc., and M. L. Lee & Co., Inc., both of New York City. **Offering**—Expected in late May to early June.

★ Consumers Automatic Vending, Inc.
March 31, 1961 filed 100,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**—The installation, maintenance and servicing of automatic vending machines, in the metropolitan New York area. **Proceeds**—For equipment, the reduction of debt and other corporate purposes. **Office** — 59-05 56th Street, Maspeth, N. Y. **Underwriters**—Diran, Norman & Co., and V. S. Wickett & Co., Inc., both of New York City. **Offering**—Expected some time in May.

Continental Trust Co.
March 15, 1961 (letter of notification) 297,000 shares of preferred stock and 297,000 shares of common stock to be offered in units of one share of preferred and one share of common. **Price**—$1.01 per unit. **Proceeds**—For operating expenses. **Office** — Scottsdale Savings Building, Scottsdale, Ariz. **Underwriter**—Preferred Securities, Inc., Phoenix, Ariz.

Cortez Life Insurance Co.
Jan. 12, 1961 filed 500,000 shares of common stock. **Price**—$3 per share. **Business**—The company is engaged in the business of writing life insurance, annuity policies and re-insurance. **Proceeds**—For general corporate purposes. **Office**—304 Main St., Grand Junction Colo. **Underwriter**—None.

Criterion Insurance Co. (5/15)
March 27, 1961 filed 520,000 shares of common stock (par $2), to be offered for subscription by common stockholders of Government Employees Life Insurance Co., and Government Employees Corp., on the basis of one new share for each 10 shares held of record March 30, and by stockholders of Government Employees Insurance Co., on the basis of one new share for each five shares held of record March 30, with rights to expire about June 5. **Price**—$6 per share. **Business**—The company was organized on March 22, 1961 by the management of the three Government Employees Group companies and plans to engage in all kinds of fire and casualty insurance business. **Proceeds**—For general corporate purposes. **Office**—Government Employees Insurance Building, Washington, D. C. **Underwriter**—None.

Crowell-Collier Publishing Co.
March 14, 1961 filed $12,000,000 of convertible subordinated debentures due 1981, to be offered for subscription by common stockholders on the basis of $100 of debentures for each 25 common shares held. **Price**—To be supplied by amendment. **Business**—A holding company whose subsidiaries publish books and operate radio and TV stations. **Proceeds**—To repay loans. **Office**—640 Fifth Ave., New York City. **Underwriter** — Carl M. Loeb, Rhoades & Co., New York City (managing). **Offering**—Expected in late April.

★ Curley Co. Inc.
March 30, 1961 filed 50,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The manufacture and packaging of household liquid detergents for distribution under private labels. **Proceeds**—For general corporate purposes. **Office**—Jefferson and Masters Sts., Camden, N. J. **Underwriter**—Carter, Berlind, Potoma & Weill, New York City (managing).

• Custom Components, Inc.
Jan. 24, 1961 filed 165,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The company designs, develops and produces high quality components for microwave and electronic systems. **Proceeds** — For expansion, acquisitions and working capital. **Office**—Passaic Ave., Caldwell, N. J. **Underwriter**—Manufacturers Securities Corp., 511 Fifth Ave., New York, N. Y. (managing); Bioren & Co. and Wm. Stix Wasserman & Co., Inc., New York City, Chace, Whiteside & Winslow,

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Inc., and Draper, Sears & Co., Boston, Mass. **Offering**—Imminent.

● Customline Control Panels, Inc. (4/20)
Feb. 21, 1961 (letter of notification) 120,000 shares of common stock (par 10 cents). **Price** — $2.50 per share. **Business**—Manufacturers of control panels for centralized control of chemical and industrial processes. **Proceeds**—For a training program for additional engineering personnel; additional capital equipment; payment of a bank loan; opening of a Los Angeles sales and engineering office; research and development and working capital. **Office**—1379 E. Linden Avenue, Linden, N. J. **Underwriter**—Blaha & Co., Inc., Long Island City, N. Y.

● Daffin Corp.
March 22, 1961 filed 150,000 outstanding shares of common stock (no par), to be offered for public sale by the holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of specialized agricultural machinery. **Proceeds**—For the selling stockholders. **Office**—121 Washington Ave., South, Hopkins, Minn. **Underwriters** — Lehman Brothers, New York City, and Piper, Jaffray & Hopwood, Minneapolis, Minn. (managing). **Offering**—Expected in early May.

Dalto Corp.
March 29 filed 431,217 shares of common stock to be offered for subscription by holders of such stock of record Oct. 7 at the rate of one-and-a-half new shares for each share then held. **Price**—$1.25 per share. **Proceeds**—For the retirement of notes and additional working capital. **Office**—Norwood, N. J. **Underwriter**—Sterling, Grace & Co., 50 Broad St., New York City. **Offering**—Indefinitely postponed.

★ Dean Milk Co.
March 31, 1961 filed 150,093 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 50,093 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The wholesale distribution of milk and milk products in the middle west. **Proceeds**—For the repayment of debt and for working capital. **Office**—3600 River Road, Franklin Park, Ill. **Underwriter** — A. G. Becker & Co., Chicago (managing).

Decitron Electronics Corp.
March 16, 1961 filed 50,000 shares of common stock (par one cent), of which 30,000 shares are to be offered for public sale by the company and 20,000 outstanding shares by the present holders thereof. **Price** — $2 per share. **Business** — The design, manufacture and sale of electronic equipment for the U. S. Government. **Proceeds** — For research and development and for working capital. **Office**—850 Seventh Ave., New York City. **Underwriter**—M. L. Lee & Co., New York City. **Offering**—Expected in mid-to-late May.

● Dekcraft Corp. (4/12-13)
Feb. 15, 1961 filed 92,000 shares of common stock. **Price** To be supplied by amendment. **Business**—The company, formerly Supreme Ribbon Corp., manufactures, converts and packages gift wrappings. **Proceeds**—For the repayment of bank loans and for woking capital. **Office**—15 Burke Lane, Syosset, New York. **Underwriter**—Carter, Berlind, Potoma & Weill, New York City.

Delanco Electric Machine Co., Inc.
Jan. 17, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The company operates three retail stores selling sewing machines and electrical appliances. **Proceeds**—For expansion and general corporate purposes. **Office**—111 Delancey Street, New York, N. Y. **Underwriter**—Michael Pariser Corp., New York, N. Y.

Delta Design, Inc.
Sept. 28, 1960 filed 100,000 shares of capital stock. **Price**—$4.50 per share. **Business** — Development of vacuum system components. **Proceeds** — For acquisition of land and construction of a factory; purchase of new machinery and tooling; inventory and working capital. **Office**—3163 Adams Ave., San Diego, Calif. **Underwriter**—None.

Detroit Tractor, Ltd.
May 26, 1960 filed 1,375,000 shares of class A stock. Of this stock, 1,125,000 shares are to be offered for the company's account and the remaining 250,000 shares are to be offered for sale by the holders thereof. **Price**—Not to exceed $3 per share. **Proceeds**—To be applied to the purchase of machine tools, payment of $95,000 of notes and accounts payable, and for general corporate purposes. **Office**—1221 E. Keating Avenue, Muskegon, Mich. **Underwriter**—To be supplied by amendment.

★ Development Corp. of America
March 30, 1961 filed 200,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The development and construction of single-family residences and communities in Florida. **Proceeds**—For general corporate purposes. **Office** — 5707 Hollywood Boulevard, Hollywood, Fla. **Underwriter**—Amos Treat & Co., Inc., New York City (managing). **Offering** — Expected in June.

Dixie Natural Gas Corp. (4/24)
Dec. 5, 1960 (letter of notification) 75,000 shares of common stock (par 2 cents). **Price**—$4 per share. **Business**—Develops oil and gas leases in West Virginia. **Proceeds** — For general business purposes. **Office** — 115 Broadway, New York 6, N. Y. **Underwriter**—Vestal Securities Corp., New York City.

★ Dixon Chemical Industries, Inc.
March 31, 1961 filed $1,500,000 of 6% convertible subordinated income debentures due 1981 to be offered for subscription by holders of the company's common stock. **Price** — To be supplied by amendment. **Business** — The manufacture of sulfuric acid. **Proceeds**—For the construction of a new plant and for working capital. **Office**—1260 Broad Street, Bloomfield, N. J. **Underwriter**—P. W. Brooks & Co., Inc., New York City (managing). **Offering**—Expected in late May to early June.

★ Dixon Chemical & Research, Inc.
March 31, 1961 filed $2,900,000 of 6% convertible sinking fund debentures, due 1978. **Price**—To be supplied by amendment. **Business**—The production of sulfuric acid, liquid sulfur dioxide, aluminum sulfate, chromic acid and corrosion-resistant coatings. **Proceeds** — For construction of a new plant, repayment of debt, and working capital. **Office**—1260 Broad Street, Bloomfield, N. J. **Underwriter**—P. W. Brooks & Co., Inc., New York City (managing). **Offering**—Expected in late May to early June.

Dodge Wire Corp. (5/1)
Dec. 7, 1960, filed 100,000 shares of common stock. **Price**—$6 per share. **Business**—The manufacture of woven aluminum screen cloth. **Proceeds**—The repayment of indebtedness and general corporate purposes. **Office**—Industrial Blvd., Covington, Ga. **Underwriter**—Plymouth Securities Corp., New York City.

Dolomite Glass Fibres, Inc.
Dec. 27, 1960 filed 200,000 shares of 7% preferred stock (cumulative - convertible); 200,000 class A common shares (voting) and 1,000,000 common shares (non-voting). **Price**—$10 per share for the preferred and $1 per share for the class A and common shares. **Business**—The manufacture and sale of glass fibre for insulation and glass fibre threads, mats and rovings for use in the production of reinforced plastics. **Proceeds**—For working capital and the purchase of additional equipment. **Office**—1037 Jay St., Rochester, N. Y. **Underwriter**—None.

Duke Power Co. (4/24)
March 14, 1961 filed 368,000 shares of common stock to be offered for subscription by common stockholders on the basis of one new share for each 30 shares held of record April 24, with rights to expire May 15. **Price**—To be supplied by amendment. **Proceeds** — To repay short-term loans. **Offices**—Charlotte 1, N. C.; Flemington, N. J., and 30 Rockefeller Plaza, New York City. **Underwriter**—None.

Duplex Vending Corp.
March 20, 1961 filed 160,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—A distributor of the coin-operated commercial washers, and dryers, heaters and other equipment produced by International Duplex Corp. **Proceeds**—For expansion and working capital. **Office**—641 Bergen St., Brooklyn, N. Y. **Underwriter**—Godfrey, Hamilton, Magnus & Co., New York City (managing). **Offering**—Expected in May.

● Dynatronics, Inc. (4/17-24)
Feb. 3, 1961 filed 120,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is engaged in the design, manufacture and sale of electronic equipment and systems, including antenna, digital and timing systems. **Proceeds**—For repayment of bank loans, new equipment and working capital. **Address**—P. O. Box 2566, Orlando, Fla. **Underwriter**—R. S. Dickson & Co., Charlotte, N. C.

Eastern Camera Exchange, Inc.
Dec. 29, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Operating a chain of retail stores and concessions selling cameras, film and photographic supplies and equipment; also processes and prints black and white photographic film. **Proceeds**—To reduce indebtedness incurred by acquisitions, to pay notes due, and for general corporate purposes. **Office**—68 W. Columbia Street, Hempstead, N. Y. **Underwriter**—Casper Rogers & Co., Inc., New York, N. Y.

★ Eastern Lime Corp.
March 31, 1961 filed $300,000 of subordinated debentures, due 1976. **Price**—To be supplied by amendment. **Business**—The operation of a quarry in Kutztown, Pa., and the production of limestone for cement companies. **Proceeds**—For new equipment and the repayment of debt. **Office**—Kutztown, Pa. **Underwriters**—Stroud & Co., Inc., Philadelphia and Warren W. York & Co., Inc., Allentown, Pa.

Economy Book Co. (5/1-5)
March 15, 1961 filed 150,000 shares of common stock (par 10 cents) of which 75,000 shares are to be offered for public sale by the company and 75,000 outstanding shares, by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries are engaged principally in the binding of children's hard cover books. **Proceeds**—For new equipment, moving expenses and working capital. **Office**—511 Joyce Street, Orange, N. J. **Underwriter**—Hayden, Stone & Co., New York City (managing).

Electro Industries, Inc.
July 19, 1960 (letter of notification) 75,000 shares of class A common stock (no par) and 20,000 shares of additional class A common stock to be offered to the underwriters. **Prices**—Of class A common, $2 per share; of additional class A common, 2½ cents per share. **Proceeds**—To expand the company's inventory to go into the packaging and export of electrical equipment, and for working capital. **Office**—1346 Connecticut Ave., N. W., Washington, D. C. **Underwriter** — Carleton Securities Corp., Washington, D. C.

Electro-Mechanical Corp. (4/24)
March 17, 1961 (letter of notification) 54,000 shares of common stock (par one cent). **Price**—$2.30 per share. **Business**—The company designs, develops and produces electronic test equipment and systems for the communications and data processing fields. **Proceeds**—For expansion and general corporate purposes. **Office**—Town Dock Road, New Rochelle, N. Y. **Underwriter**—Manufacturers Securities Corp., 511 Fifth Avenue, New York 17, N. Y.

Electro-Nuclear Metals, Inc.
Aug. 31, 1960 (letter of notification) 250,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To purchase new equipment, rental and for administrative costs. **Office**—115 Washington Blvd., Roseville, Calif. **Underwriter**—A. J. Taranto & Co., Carmichael, Calif.

Electronic Assistance Corp. (5/8-12)
March 17, 1961 filed 110,000 shares of common stock (par 10 cents) of which 60,000 shares are to be offered for public sale by the company and 50,000 outstanding shares by the present holder thereof. **Price**—To be supplied by amendment. **Business**—The design, engineering, manufacture and sale of radar altimeters, communications devices and test equipment. **Proceeds**—For investment in a new subsidiary and for expansion of present facilities. **Office**—20 Bridge Avenue, Red Bank, N. J. **Underwriter**—Hayden, Stone & Co., New York City (managing).

★ Electronic Associates, Inc.
March 30, 1961 filed 75,000 shares of capital stock (par $1). **Price**—To be supplied by amendment. **Business**—The development, production and sale of analog computers and precision electronic laboratory equipment; and also computer engineering services at three centers in the United States and Europe. **Proceeds** — To repay loans and for working capital. **Office** — Long Branch, N. J. **Underwriter**—W. C. Langley & Co., New York City (managing). **Offering**—Expected in late May.

● Elgeet Optical Co., Inc.
March 28, 1961 filed 180,000 shares of common stock. **Price** — $6.50 per share. **Business** — The production of lenses and optical systems for camera manufacturers. **Proceeds**—For repayment of bank loans, new machinery, research and development, with the balance for general corporate purposes. **Office**—838 Smith Street, Rochester, N. Y. **Underwriter**—Troster, Singer & Co., New York City (managing). **Offering**—Expected in late May.

Elion Instruments, Inc. (5/1)
Oct. 28, 1960 filed 60,000 outstanding shares of capital stock (par 50 cents), together with five-year warrants for the purchase of 6,000 new capital shares, to be offered for sale in units of one share of stock and one-tenth of a warrant. No sale will be made of less than 10 such units. **Price**—To be related to the price of the company's stock in the over-the-counter market immediately prior to the offering. **Business**—The firm makes and sells instruments and equipment for scientific and industrial measurement and analyses. **Proceeds**—To selling stockholders, who are two company officers who will lend the net proceeds to the company. **Office**—430 Buckley St., Bristol, Pa. **Underwriter** — Warner, Jennings, Mandel & Longstreth, Philadelphia, Pa.

Emmer Glass Corp.
March 8, 1961 filed 190,000 shares of class A common stock, of which 160,000 shares are to be offered for public sale by the company and 30,000 outstanding shares. by the present holder thereof. **Price**—$4 per share. **Business**—The sale of glass, metal, fiber and plastic containers; and housewares and garden accessories. **Proceeds**—For the repayment of debt and general corporate purposes. **Office**—6250 N. W. 25th Ave., Miami, Fla. **Underwriter**—Clayton Securities Corp., Boston, Mass. (managing). **Offering**—Expected sometime in May.

★ Empire Devices, Inc.
April 3, 1961 filed 105,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—Between $10 and $12 per share. **Business**—The manufacture of electronic test equipment. **Proceeds**—For the selling stockholders. **Office**—Amsterdam, N. Y. **Underwriter**—Hayden, Stone & Co., New York City (managing).

Empire Life Insurance Co. of America
March 14, 1961 (letter of notification) 30,000 shares of capital stock (no par). **Price**—$10 per share. **Proceeds**—To go to selling stockholders. **Office**—2801 W. Roosevelt Road, Little Rock, Ark. **Underwriter**—Consolidated Securities, Inc., 2801 W. Roosevelt Road, Little Rock, Ark.

Endevco Corp. (4/25)
March 1, 1961 filed 125,000 shares of no par common stock. **Price**—To be supplied by amendment. **Business**—The design, manufacture and sale of piezoelectric transducers and associated electronic equipment. **Proceeds**—For equipment and working capital. **Office**—161 East California Blvd., Pasadena, Calif. **Underwriter**—White, Weld & Co., New York City (managing).

● Fabien Corp. (4/24-28)
Feb. 27, 1961 filed 60,000 shares of outstanding common stock. **Price**—$6.75 per share. **Business**—The company, formerly Fabien Textile Printing Corp., is engaged in the printing of colored designs on various types of materials. **Proceeds** — To selling stockholders. **Office**—Lodi, N. J. **Underwriter**—Goodbody & Co., New York City (managing).

★ Far West Financial Corp.
March 30, 1961 filed 950,000 shares of capital stock, of which a maximum of 770,000 shares will be offered for public sale by the company, and a maximum of 180,000 outstanding shares will be offered by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company owns a majority of State Mutual Savings & Loan Association capital stock and operates an insurance agency. **Proceeds**—To repay loans, and to make loans to developers of real estate projects. **Office**—415 West Fifth St., Los Angeles, Calif. **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing).

Faradyne Electronics Corp.
Jan. 30, 1961 filed $1,500,000 of 6% convertible subordinated debentures. **Price**—100% of principal amount. **Business**—The company is engaged in the manufacture and distribution of high reliability materials and basic

electronic components, including dielectric and electrolytic capacitors and precision tungsten wire forms. **Proceeds**—For the payment of debts and for woorking capital. **Office**—471 Cortlandt Street, Belleville, N. J. **Underwriter**—To be named shortly.

Federal Shell Homes, Inc.
Feb. 23, 1961 filed 675,000 shares of common stock; $1,350,000 of 9% convertible subordinated debentures (par $10); and 135,000 1964 warrants to be offered for public sale in 135,000 units, each unit to consist of five common shares, one debenture and one warrant. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—225 West Carolina St., Tallahassee, Fla. **Underwriter** — Pierce, Carrison, Wulbern, Inc., Jacksonville, Fla. (managing).

★ **Fiat Metal Manufacturing Co., Inc.**
March 29, 1961 filed 220,462 outstanding shares of common stock (par 10 cents), to be offered for public sale by the present holder thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and distribution of prefabricated metal shower cabinets, glass shower enclosures and pre-cast shower floors. **Proceeds**—For the selling stockholder. **Office** — Michael Court, Plainview, L. I., N. Y. **Underwriter**—Dempsey-Tegeler & Co., St. Louis and New York City. **Offering**—Expected in late May to early June.

Filtors, Inc.
March 16, 1961 filed 271,000 shares of common stock, of which 122,000 shares are to be offered for public sale by the company and 149,000 outstanding shares, by the present holders thereof. **Price**—$7 per share. **Business**—The design, manufacture and sale of subminiature and microminiature hermetically sealed relays. **Proceeds**—For general corporate purposes. **Office**—30 Sagamore Hill Drive, Port Washington, N. Y. **Underwriter**—Dempsey-Tegeler & Co., St. Louis (managing). **Offering**—Expected in early-to-mid May.

Filtra-Sonic Corp.
Feb. 27, 1961 (letter of notification) 51,250 shares of common stock (par 50 cents). **Price**—$4 per share. **Office**—120 W. Providencia, Burbank, Calif. **Underwriter**—Gregory-Massari, Inc., Beverly Hills, Calif.

★ **Fireco Sales Ltd.**
March 31, 1961 filed 123,000 outstanding shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—The service merchandising of non-food consumer items in Canada, mainly in supermarkets. **Proceeds** — For the selling stockholder. **Office** — 33 Racine Rd., Rexdale (Toronto), Canada. **Underwriter**—McDonnell & Co., New York City (managing).

First American Investment Corp.
Oct. 14, 1960 filed 2,500,000 shares of common stock. Price—$2 per share. Business—Insurance. Proceeds—To acquire control of Western Heritage Life Insurance Co. of Phoenix, and to organize subsidiaries. Office—2222 N 16th St., Phoenix, Ariz. Underwriter—None.

First Small Business Investment Company of Tampa, Inc.
Oct. 6, 1960 filed 500,000 shares of common stock. Price—$12.50 per share. Proceeds — To provide investment capital. Office—Tampa, Fla. Underwriter—None.

Fox Head Brewing Co.
March 16, 1961 (letter of notification) 52,806 shares of common stock (par $1.25). **Price**—At-the-market at time of sale. **Proceeds**—For redemption of preferred stock, and working capital. **Office** — 227 Maple Avenue, Waukesha, Wis. **Underwriter** — Milwaukee Co., Milwaukee, Wis.

★ **Fox-Stanley Photo Products, Inc.**
March 29, 1961 filed 387,500 shares of common stock (par $1) of which 50,000 shares are to be offered for public sale by the company and 337,500 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—In May 1961 the company plans to take over the businesses of The Fox Co., San Antonio, Tex., and the Stanley Photo Service, Inc., St. Louis, Mo., which are now engaged in the processing of photographic films and the sale of photographic equipment. **Proceeds**—For working capital and possible future acquisitions. **Office**—1734 Broadway, San Antonio, Tex. **Underwriter**—Equitable Securities Corp., Nashville, Tenn.

★ **Friden, Inc.**
March 30, 1961 filed 360,000 shares of common stock of which 150,000 shares are to be offered for public sale by the company and 210,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of various products such as calculators, adding machines, data processing equipment, Ticketograph machines and electronic heaters. **Proceeds** — For plant expansion, new equipment, prepayment of loans, and inventory. **Office**—2350 Washington Avenue, San Leandro, Calif. **Underwriters**—Dean Witter & Co., San Francisco and Merrill Lynch, Pierce, Fenner & Smith Inc., New York City.

Frontier Airlines, Inc.
March 16, 1961 filed 250,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The transportation by air of passengers, property and mail between 66 cities in 11 states. **Proceeds**—For the selling stockholders. **Office** — 5900 E. 39th Ave., Denver, Colo. **Underwriter**—To be named.

● **Fulton Industries, Inc. (4/17-21)**
Feb. 21, 1961 filed 233,955 shares of outstanding common stock. **Price**—To be supplied by amendment. **Business**—Produces textiles, automotive parts, metal castings, cotton ginning equipment and pre-engineered steel buildings. **Proceeds**—To selling stockholders. **Office**—Atlanta, Ga. **Underwriters** — Robinson-Humphrey Co., Inc., Atlanta, Ga., and Walston & Co., Inc., New York City (managing).

★ **Futterman Corp.**
March 31, 1961 filed 1,000,000 shares of class A stock (par $1). **Price**—To be supplied by amendment. **Business** — The owning, managing, constructing, acquiring, leasing and sale of real estate properties. **Proceeds**—For the purchase of properties. **Office**—580 Fifth Avenue, New York City. **Underwriter**—Van Alstyne, Noel & Co., New York City (managing). **Offering**—Expected in late May.

GPC, Inc.
March 27, 1961 filed 2,180 shares of class A common stock and $125,000 principal amount of certificates of indebtedness to be offered in 1,680 units. **Price**—For the stock: $25 per share. For the certificates: $75 per unit. **Business**—The company is now constructing a 32 lane bowling center on Route 58 in Portsmouth, Va. **Proceeds** — For construction expenses. **Office** — 316 New Kirn Building, Portsmouth, Va. **Underwriter**—None.

G-W Ameritronics, Inc.
Jan. 25, 1961 filed 80,000 shares of common stock and 160,000 warrants to purchase a like number of common shares, to be offered for public sale in units, each consisting of one share of common stock and two warrants. Each warrant will entitle the holder thereof to purchase one share of common stock at $2 per share from March to August 1961 and at $3 per share from September 1962 to February 1964. **Price** — $4 per unit. **Business** — The company (formerly Gar Wood Philadelphia Truck Equipment, Inc.), distributes, sells, services and installs Gar Wood truck bodies and equipment in Pennsylvania, Delaware, and New Jersey, under an exclusive franchise. **Proceeds** — For general corporate purposes. **Office**—Kensington and Sedgley Avenues, Philadelphia, Pa. **Underwriter**—Fraser & Co., Inc., Philadelphia, Pa.

Gateway Sporting Goods Co.
March 20, 1961 filed 50,000 shares of common stock. **Price**—To be supplied by amendment. **Business** — The retail sale of sporting goods, photographic equipment, toys, luggage and other recreational items. **Proceeds**—For expansion. **Office**—1321 Main St., Kansas City, Mo. **Underwriter**—Stern Brothers & Co., Kansas City, Mo. **Offering**—Expected in early May.

General American Transportation Corp.
March 20, 1961 filed 35,783 outstanding shares of common stock, to be offered for public sale by the holders thereof on the New York or Midwest Stock Exchange or otherwise. **Price**—$84 per share. **Business**—The supplying of railroad freight cars to railroads and shippers for their use. **Proceeds**—To the selling stockholders. **Office**—135 South La Salle Street, Chicago, Ill. **Underwriter**—None.

● **General Economics Corp. (5/1-5)**
March 8, 1961 filed 130,000 shares of common stock. **Price**—$5 per share. **Business**—The company is active in the over-the-counter market as both broker and principal, sells mutual fund securities and life insurance, and finances the payment of life insurance premiums. **Proceeds**—For additional working capital. **Office**—130 W. 42nd Street, New York City. **Underwriter**—Continental Planning Co., 130 W. 42nd Street, New York City.

★ **General Precision Equipment Corp. (4/27)**
March 28, 1961 filed 150,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—A holding company whose subsidiaries are engaged in the production of electronic and electro-mechanical components and equipment for military aircraft, naval vessels, missiles and space vehicles. **Proceeds**—To repay debt. **Office**—50 Prospect Ave., Tarrytown, N. Y. **Underwriters**—The First Boston Corp., and Tucker, Anthony and R. L. Day, both of New York City (managing).

● **Geriatric Pharmaceutical Corp. (4/24-28)**
Feb. 28, 1961 (letter of notification) 50,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The distribution and sale of geriatric pharmaceuticals. **Proceeds**—For general corporate purposes. **Office**—45 Commonwealth Boulevard, Bellerose, N. Y. **Underwriter**—T. M. Kirsch Co., New York, N. Y.

● **Giannini Scientific Corp.**
Feb. 27, 1961 (letter of notification) 30,000 shares of common stock (par 10 cents). **Price** — $10 per share. **Business**—Research, development and manufacturing in technological fields. **Proceeds** — For general corporate purposes. **Office**—30 Broad Street, New York, N. Y. **Underwriter**—Kidder, Peabody & Co., Inc., New York, N. Y.

● **Girard Industries Corp.**
March 22, 1961 filed 100,000 shares of common stock (par 50 cents). **Price**—$5 per share. **Business**—The manufacture, and sale of certain types of furniture to retail dealers. **Proceeds**—For a new plant, equipment and working capital. **Office**—San Juan, Puerto Rico. **Underwriter**—Edwards & Hanly, Hempstead, N. Y. (managing). Brand, Grumet & Seigel, Inc.; Kesselmann & Co., Inc.; Casper Rogers & Co., Inc., New York City. **Offering**—Expected in late May.

★ **Golden Triangle Industries, Inc.**
March 29, 1961 filed 87,500 shares of common stock. **Price** — $4 per share. **Business** — The manufacture and sale of doll carriages, hobby horses and pony stock horses. **Proceeds** — For working capital. **Office** — 100 South 30th and Jane Streets, Pittsburgh, Pa. **Underwriter**—Robert M. Harris & Co., Inc., Philadelphia.

Grayco Credit Corp.
Jan. 16, 1961 (letter of notification) $150,000 of 10-year 7% sinking fund debentures and 75,000 shares of common stock (par $1) to be offered in units consisting of 50 shares of common and $100 of debentures. **Price**—$200 per unit. **Proceeds** — For working capital. **Office** — 1012 Market St., Johnson City, Tenn. **Underwriter**—Branum Investment Co., Inc., Nashville, Tenn.

Great Lakes Bowling Corp.
Feb. 24, 1961 filed $1,250,000 of 6% convertible subordinated debentures, due 1976. **Price**—$1,000 per debenture. **Business**—The operation of bowling centers with adjoining refreshment facilities in Michigan. **Proceeds**—For construction and working capital. **Office** — 6366 Woodward Ave., Detroit, Mich. **Underwriter**—None.

Great Southern Financial Corp.
March 15, 1961 filed 500,000 shares of common stock. **Price**—To be supplied by amendment. **Business** — The company plans to engage in the insurance and finance business. **Proceeds** — To organize subsidiaries. **Office**—First National Bank Bldg., Gadsden, Ala. **Underwriter**—None.

Grolier Inc. (4/20)
March 17, 1961 filed 120,000 shares of common stock (par $1), of which 60,000 shares are to be offered for public sale by the company and 60,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The publication and sale of encyclopedias, reference works, juvenile books and the retail distribution of teaching machines and related programs. **Proceeds**—For working capital. **Office**—575 Lexington Ave., New York City. **Underwriter**—Dominick & Dominick, New York City.

★ **Grosset & Dunlap, Inc.**
March 31, 1961 filed 436,086 shares of common stock (par $1), of which 210,320 shares are to be offered for public sale by the company and 225,766 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The publication and distribution of hard cover and paperback books for adults and children. **Proceeds**—For the purchase of additional stock in Bantam Books, Inc., Wonder Books, Inc., and Treasure Books, Inc., and for working capital. **Office**—1107 Broadway, New York City. **Underwriter** — Blyth & Co., Inc., New York City (managing). **Offering**—Expected in mid-May.

Guaranty National Insurance Co.
Feb. 27, 1961 (letter of notification) 120,000 shares of common stock (par 50 cents). **Price**—$2.50 per share. **Proceeds**—For investment and the operation of the company. **Office**—916 Broadway, Denver, Colo. **Underwriter**—Copley & Co., Colorado Springs, Colo.

★ **Hager Inc.**
March 31, 1961 filed 200,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—The financing and sale of household food freezers and frozen foods to the consumer. **Proceeds**—For the repayment of debt and working capital. **Office**—2926 Fairfield Ave., Bridgeport, Conn. **Underwriter**—Marron, Sloss & Co., Inc., New York City (managing). **Offering** — Expected in mid-June.

Haloid Xerox Inc. (4/20-5/8)
March 17, 1961 filed $15,093,600 of convertible subordinated debentures, due 1981, to be offered for subscription by common stockholders on the basis of $100 of debentures for each 25 shares held of record April 20, with rights to expire May 8. **Price** — To be supplied by amendment. **Business** — The manufacture and sale of products for xerographic and photocopy reproduction, and for photographic use. **Proceeds**—To redeem all outstanding 5¼% preferred stock, repay bank loans and for working capital. **Office**—2 Haloid St., Rochester, N. Y. **Underwriter**—First Boston Corp., New York City (managing).

Harcourt Brace & World, Inc. (5/16)
March 24, 1961 filed 101,398 outstanding shares of common stock (par $1) **Price**—To be supplied by amendment. **Business**—The publication and sale of textbooks, school materials, aptitude tests, and general books. **Proceeds**—For the selling stockholders. **Office**—750 Third Ave., New York City. **Underwriter**—White, Weld & Co., Inc., New York City (managing).

● **Harwyn Publishing Corp. (5/22-26)**
March 30, 1961 filed 110,000 shares of class A common stock (par 10 cents). **Price**—$3.75 per share. **Business**—The publishing of illustrated encyclopedic works, principally for children. **Proceeds**—For general corporate purposes. **Office**—170 Varick Street, New York City. **Underwriter**—N. A. Hart & Co., Bayside, N. Y.

● **Hawaiian Electric Co. Ltd. (4/13)**
March 9, 1961 filed $12,000,000 of first mortgage bonds, series L, due April 1, 1991. **Proceeds**—For the repayment of a bank loan and for construction. **Office**—900 Richards St., Honolulu, Hawaii. **Underwriters** — Dillon, Read & Co., Inc., New York City and Dean Witter & Co., San Francisco.

● **Heath (D. C.) & Co.**
March 17, 1961 filed 240,000 shares of common stock (par $5), of which 50,000 shares are to be offered for public sale by the company and 190,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The publishing of textbooks and related materials for students. **Proceeds**—For working capital. **Office**—285 Columbus Avenue, Boston, Mass. **Underwriter**—Kidder, Peabody & Co., New York City (managing). **Offering**—Expected in early May.

● **Hickory Industries, Inc. (4/17-21)**
March 9, 1961 (letter of notification) 25,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business** — Manufacturers of barbecue machines and allied equipment. **Proceeds** — For general corporate purposes. **Office**—10-20 47th Road, Long Island City, N. Y. **Underwriter**—J. B. Coburn Associates, Inc., New York, N. Y.

Holloway Outdoor Advertising, Inc.
Feb. 20, 1961 (letter of notification) 90,000 shares of common stock (par 25 cents). **Price**—$2.50 per share. **Proceeds**—To acquire assets of Crown Outdoor Advertising. **Office** — 9171 Sunset Boulevard, Los Angeles,

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Calif. **Underwriter** — Pacific Coast Securities Co., San Francisco, Calif. **Note** — This company was formerly Sunset Outdoor Advertising, Inc.

● Honey Dew Food Stores, Inc. (4/17-21)
Jan. 27, 1961 (letter of notification) 145,000 shares of common stock (par 10 cents). **Price** — $2 per share. **Business**—The company operates a chain of 10 supermarkets. **Proceeds**—For general corporate purposes. **Office** — 811 Grange Road, Teaneck, N. J. **Underwriter** — To be named shortly.

Howard Johnson Co.
March 13, 1961 filed 660,000 outstanding shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries operate and supply a large restaurant chain. **Proceeds**—For the selling stockholders. **Office**—89 Beale St., Wollaston, Mass. **Underwriters**—Blyth & Co., Inc., New York City and F. S. Moseley & Co., Boston, Mass. **Offering**—Expected in late April.

Hurletron, Inc. (4/24-28)
March 15, 1961 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—Manufactures timing devices, and web control systems for printers. **Proceeds**—For the repayment of debt and for working capital. **Office**—135 So. La Salle St., Chicago, Ill. **Underwriter**—F. S. Moseley & Co., Boston, Mass.

★ Howe Plastics & Chemical Companies, Inc.
March 29, 1961 (letter of notification) 40,000 shares of common stock (par one cent). **Price**—At-the-market. **Business**—The manufacture of plastic items. **Proceeds**—For the repayment of debt; advertising and sales promotion; expansion and working capital. **Office**—4077 Park Avenue, Bronx 57, N. Y. **Underwriter**—J. I. Magaril Co., New York, N. Y.

Hydroswift Corp.
Oct. 20, 1960 filed 70,000 shares of common stock. **Price**—$5 per share. **Business**—The firm, which was organized in February, 1957, makes and wholesales products and services for the fiberglass industry, including particularly fiberglass boats known as "HydroSwift" and "Skyliner." **Proceeds**—For general funds, including expansion. **Office** — 1750 South 8th St., Salt Lake City, Utah. **Underwriter**—Whitney & Co., Salt Lake City, Utah.

I C Inc.
June 29, 1960 filed 600,000 shares of com. stock (par $1) **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Building, Denver, Colo. **Underwriters**—Purvis & Co. and Amos C. Sudler & Co., both of Denver, Colo.

● Income Planning Corp. (4/17-18)
Dec. 29, 1960 (letter of notification) 5,000 shares of cumulative preferred stock (no par) and 10,000 shares of class A common stock (par 10 cents) to be offered in units consisting of one share of preferred and two shares of common. **Price** — $40 per unit. **Proceeds**—To open a new branch office, development of business and for working capital. **Office**—3300 W. Hamilton Boulevard, Allentown, Pa. **Underwriter**—Espy & Wanderer, Inc., Teaneck, N. J.

★ Income Properties, Inc.
March 31, 1961 filed 150,000 shares of class A stock (par 50 cents). **Price**—$9.75 per share. **Business**—Formerly known as Price Investors Corp., the company owns and operates six apartment houses and plans to construct two more. **Proceeds**—To repay debt and for working capital. **Office**—1801 Dorchester Road, Brooklyn, N. Y. **Underwriter**—Eisele & King,, Lebaire, Stout & Co., New York City (managing).

Independent Telephone Corp. (4/17-21)
March 8, 1961 filed 350,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—A holding company with 11 subsidiaries in New York, Michigan, New Jersey and West Virginia. **Proceeds**—To repay bank loans, for advances to subsidiaries and for general corporate purposes. **Office**—25 South St., Dryden, N. Y. **Underwriter** — Burnham & Co., New York City (managing).

● Industrial Control Products, Inc.
March 10, 1961 filed 165,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The engineering, designing and precision machining of electronic components. **Proceeds** — For research and development, inventory, equipment, start-up costs of semi-conductor production, and for working capital. **Office**—78 Clinton Rd., Caldwell Township, N. J. **Underwriter** — Edward Hindley & Co., New York City. **Offering**—Expected in early May.

Industrial Instrument Corp.
Feb. 27, 1961 filed 60,000 shares of 6% second series cumulative convertible preferred stock (par $10) to be offered for subscription by the holders of its outstanding common and first series preferred stock on the basis of one new share of preferred for each eight shares of common and one new share for each share of preferred held. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of instruments used to measure and control the flow, level, pressure and temperature of liquids and gases. **Proceeds**—To repay loans, buy new equipment and for working capital. **Office**—8400 Research Road, Austin, Texas. **Underwriter**—None.

● Inter-Mountain Telephone Co.
Feb. 23, 1961 filed 465,000 shares of common stock being offered for subscription by stockholders on the basis of one new share for each three shares held of record March 17 with rights to expire on April 17. **Price**—$10 per share. **Proceeds**—For the repayment of loans. **Office**—Bristol, Tenn. **Underwriter**—Courts & Co., Atlanta, Ga. and New York City (managing).

International Life Insurance Co. of Buffalo
Feb. 21, 1961 filed 350,000 shares of capital stock. **Price**—$5 per share. **Business**—The company was organized under New York law in March 1960 and is licensed to conduct an insurance business in that state, but has not commenced operations as of the filing date. **Proceeds**—For the general conduct of business and the setting up of reserves against policies as written. **Office**—310 Delaware Ave., Buffalo, N. Y. **Underwriter**—None.

International Mosaic Corp.
Sept. 30, 1960 (letter of notification) 99,333 shares of common stock (par 10 cents). **Price**—$3 per share. **Business** — Manufacture of glass mosaics by machines and processes. **Proceeds** — For general corporate purposes. **Office**—45 East 20th St., New York 3, N. Y. **Underwriter**—B. G. Harris & Co., Inc., New York, N. Y.

International Photocopy Corp.
Feb. 28, 1961 (letter of notification) 100,000 shares of common stock. **Price** — $3 per share. **Business** — Manufacturer and distributor of office photocopying equipment, chemicals and paper. **Proceeds**—For expansion and working capital. **Office** — 564 W. Randolph St., Chicago, Ill. **Underwriter** — J. J. Krieger & Co., New York City.

International Safflower Corp.
Aug. 3, 1960 filed 60,000 shares of class A common stock (par $2). **Price**—$5 per share. **Proceeds**—To retire outstanding loans, buy seed, buy or lease land, building, and machinery, and for working capital. **Office**—350 Equitable Bldg., Denver, Colo. **Underwriter** — Copley & Co., Colorado Springs, Colo.

Interstate Power Co. (5/18-6/2)
March 16, 1961 filed 223,833 shares of common stock to be offered for subscription by common stockholders on the basis of one new share for each 16 shares held of record May 18, with rights to expire June 2. **Price**—To be supplied by amendment. **Proceeds**—To repay bank loans and for construction. **Offices**—1000 Main Street, Dubuque, Iowa, and 111 Broadway, New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co.; Salomon Bros. & Hutzler; Merrill Lynch, Pierce, Fenner & Smith Inc.; White, Weld & Co. **Bids**—To be received on May 18 at 11 a.m. (DST).

Interstate Power Co. (5/18)
March 16, 1961 filed $9,000,000 of first mortgage bonds, due 1991. **Proceeds**—To repay bank loans and for construction. **Office**—1000 Main St., Dubuque, Iowa. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co.; White, Weld & Co.; Salomon Bros. & Hutzler. **Bids**—To be received on May 18 up to 11 a.m. (DST) at the office of The Chase Manhattan Bank, One Chase Plaza, New York 5, N. Y., 23rd floor. **Information Meeting**—Scheduled for May 8, at 3 p.m. (DST) at the office of The Chase Manhattan Bank, 28th floor.

Invesco Collateral Corp.
March 6, 1961 filed $900,000 of 6% registered subordinated debentures to be offered in three series of $300,000 each, due June 30, 1965, 1966 and 1967, respectively. **Price**—$4,315; $4,190 and $4,079 per $5,000 of debentures. **Business**—The company, a wholly-owned subsidiary of Investors Funding Corp. of New York was organized under New York law in June, 1960, to purchase, invest in and sell real estate mortgages. **Proceeds**—For investment. **Office**—511 Fifth Avenue, New York City. **Underwriter**—None.

★ Investors Preferred Life Insurance Co.
March 30, 1961 filed 400,000 shares of common stock. **Price**—$2.40 per share. **Business**—The company is authorized to sell life, accident and health insurance. **Proceeds**—To be added to capital and surplus. **Office**—310 Spring Street, Little Rock, Ark. **Underwriter**—Life Securities, Inc., Little Rock.

● Iowa-Illinois Gas & Electric Co. (4/25)
March 24, 1961 filed $15,000,000 of first mortgage bonds, due 1991. **Proceeds**—To repay bank loans and for construction. **Office** — 206 E. 2nd Street, Davenport, Iowa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; First Boston Corp.; Glore, Forgan & Co., and Lehman Brothers (jointly); White, Weld & Co. and Blyth & Co., Inc. (jointly). **Bids**—To be received in the Whitehall Room, 4th floor, 33 South Clark Street, Chicago, Ill., at 10 a.m. (CST) on April 25.

Irvington Steel & Iron Works (4/10-14)
Feb. 13, 1961 (letter of notification) 150,000 shares of common stock (par 50 cents). **Price**—$2 per share. **Business** — Fabricators of structural steel. **Proceeds** — For general corporate purposes. **Office** — Somerset Street, New Brunswick, N. J. **Underwriter**—L. L. Fane & Co., Inc., Plainfield, N. J.

"Isras" Israel-Rassco Investment Co. Ltd.
March 27, 1961 filed 30,000 shares of ordinary stock. **Price**—$62 per share. The company may, but is not obligated to, accept payment in State of Israel bonds. **Proceeds**—For the construction of hotels, office buildings, housing projects and the like. **Office**—Tel Aviv, Israel. **Underwriter**—None.

Jefferson Counsel Corp.
March 13, 1961 filed 30,000 shares of class B common stock (non-voting). **Price**—$10 per share. **Business**—The company was organized under Delaware law in January 1961 to sponsor the organization of the Jefferson Growth Fund, Inc., a new open-end diversified investment company of the management type. **Proceeds**—For organizational and operating expenses. **Office**—52 Wall St., New York City. **Underwriter**—None.

Jodmar Industries, Inc. (4/24-28)
Feb. 24, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Design, lay-out, installation and maintenance of industrial heating and air-conditioning systems. **Proceeds**—For the purchase of inventory for current business; purchase of machinery, equipment and inventory for proposed manufacturing business; sales promotion and reserves. **Office**—8801-11 Farragut Road, Brooklyn 36, N. Y. **Underwriter**—Fontana Securities, Inc., 82 Beaver Street, New York, N. Y.

★ Julie Research Laboratories, Inc.
March 29, 1961 filed 100,000 outstanding shares of common stock to be offered for public sale by the present stockholder. **Price**—$10 per share. **Business**—Basic research and development leading to the design, manufacture and sale of precise electronic components and instruments. **Proceeds**—For the selling stockholder. **Office**—603 West 130th Street, New York City. **Underwriter**—C. E. Unterberg, Towbin Co., New York City (managing).

Jungle Juice Corp.
Oct. 28, 1960 (letter of notification) 120,000 shares of common stock (par 25 cents). **Price**—$2.50 per share. **Proceeds**—For working capital and expansion. **Address**—Seattle, Wash. **Underwriters**—Planned Investing Corp., New York, N. Y. and Fidelity Investors Service, East Meadow, N. Y.

★ Kaiser Aluminum & Chemical Corp.
March 30, 1961 filed 61,169 outstanding shares of 4¾% cumulative convertible (1961 series) preference stock ($100 par) and 305,834 outstanding shares of common stock, to be offered for public sale by the holders thereof. **Price**—To be supplied by amendment. **Business**—The company is a producer of primary aluminum and aluminum products. **Proceeds**—For the selling stockholders. **Office** — 300 Lakeside Drive, Oakland, Calif. **Underwriter**—None.

Kawecki Chemical Co.
March 23, 1961 filed $3,500,000 of 4⅞% convertible subordinated debentures, due 1976, and 17,282 shares of common stock (par 25 cents), issuable upon the exercise of warrants. The debentures are to be offered for subscription by stockholders on the basis of $100 principal amount of debentures for each 15 shares held. **Price**—At par. **Business**—The research and pilot plant production of rare metals. **Proceeds**—To repay debt and for working capital. **Office**—Boyertown, Pa. **Underwriter**—Carl M. Loeb, Rhoades & Co., New York City (managing). **Offering**—Expected sometime in May.

● King Kullen Grocery Co., Inc. (5/9)
March 28, 1961 filed 180,000 shares of class A stock, of which 50,000 shares are to be offered for public sale by the company and 130,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The operation of a chain of self-service food stores in the Long Island, N. Y., area. **Proceeds**—For the construction and equipping of a new warehouse and office. **Office** — 178-02 Liberty Ave., Jamaica, N. Y. **Underwriters**—Hemphill, Noyes & Co., and Estabrook & Co., New York City (managing).

● Kings Electronics Co., Inc. (4/24-28)
Jan. 27, 1961 filed 295,187 shares of common stock, of which 250,000 are to be offered for public sale by the company and 45,187 shares, being outstanding stock, by the present holders thereof. **Price**—$4 per share for the new stock. The outstanding shares will be offered at the prevailing market price on the over-the-counter market or on any securities exchange upon which they may be listed at any time after 60 days from the date of the company's offering. **Business**—The company is engaged principally in the design, development and manufacture of radio frequency connectors. **Proceeds**—For expansion, the repayment of loans and for working capital. **Office**—40 Marbledale Road, Tuckahoe, N. Y. **Underwriter**—Ross, Lyon & Co., Inc., New York City (managing).

Kreisler (Charles), Inc. (4/17)
Feb. 27, 1961 (letter of notification) 60,000 shares of common stock (par $1). **Price**—$5 per share. **Business**—Sale and rental of automobiles. **Proceeds**—Acquisition of cars for rental purposes; acquisition of additional salesroom; advertising and sales promotion and for working capital. **Office**—241 Park Avenue, New York, N. Y. **Underwriter**—Albion Securities Co., Inc., New York, N. Y.

LP Gas Savings Stamp Co., Inc.
Sept. 27, 1960 (letter of notification) 30,000 shares of common stock **Price**—At par ($10 per share). **Proceeds**—For purchase of creative design and printing of catalogs, stamp booklets, advertising and for working capital. **Office**—300 W. 61st St., Shreveport, La. **Underwriter**—International Sales & Investment, Inc., 4501 North Blvd., Baton Rouge, La.

Landmark Corp.
Jan. 27, 1961 filed 30,000 shares of $5 par common stock. **Price**—$10 per share. **Proceeds**—For construction, cost of land, office equipment, and working capital. **Office**—212 W. Jefferson St., Fort Wayne, Ind. **Underwriter**—First Security Corp., Fort Wayne, Ind.

★ Leader-Durst Center Co.
March 29, 1961 filed $569,500 of limited partnership interests. **Price**—$5,000 per unit. **Business**—A limited partnership organized under New York law in March, 1961, to acquire title to the Midland Shopping Center in Columbia, S. C., the Greenwich Shopping Center in Lake Charles, La., and a shopping center in Taylor Township, Mich. **Proceeds**—To be used to purchase the above properties. **Office**—41 East 42nd Street, New York City. **Underwriter**—None.

Leeds Homes, Inc.
March 9, 1961 filed $1,000,000 of 6% subordinated sinking fund debentures, due 1976 and 300,000 shares of common stock to be offered for public sale in units consisting of $10 principal amount of debentures and three common shares. **Price**—To be supplied by amendment. **Business**—Company, formerly Aluminum Siding & Supply Corp., is a holding company whose subsidiaries are engaged in the sale, construction and financing of shell homes. **Proceeds**—For construction, working capital, and investment in mortgages on shell homes. **Office**—2501 Ailor Ave., Knoxville, Tenn. **Underwriter**—J. C. Bradford & Co., Nashville.

Le-Wood Homes, Inc.
Jan. 19, 1961 (letter of notification) 100,000 shares of common stock (par 50 cents) and $100,000 of 9% convertible debentures due March 1, 1971 to be offered in units of 100 shares of common stock and 1-$100 of debentures. **Price**—Of stock, $2 per share; of debentures, $300 per unit. **Proceeds**—For working capital. **Office**—7001 W. Broad St., Richmond, Va. **Underwriter**—Bellamah, Neuhauser & Barrett, Washington, D. C.

★ **Lincoln Fund, Inc.**
March 30, 1961 filed 951,799 shares of common stock. **Price** — Net asset value plus a 7% selling commission. **Business** — A non-diversified, open-end, management-type investment company whose primary investment objective is capital appreciation and, secondary, income derived from the sale of put and call options. **Proceeds**—For investment. **Office**—300 Main St., New Britain, Conn. **Distributor**—Horizon Management Corp., New Britain.

★ **Lindy Hydrothermal Products, Inc.**
March 30, 1961 filed 65,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The design, manufacture, distribution and sale of heat exchange products and custom tanks for the storage of water, chemicals and other liquids. **Proceeds**—For new equipment, plant relocation, product development and repayment of debt. **Office**—2370 Hoffman Street, New York City. **Underwriter**—Bond, Richman & Co., New York City. **Offering**—Expected in late May.

Lockwood Grader Corp.
Feb. 2, 1961 filed $500,000 of 6% sinking fund debentures, series A (with warrants for the purchase of 15,000 shares of class A common stock), and 30,000 shares of class A common stock. **Price**—To be filed by amendment. **Business**—The manufacture and sale of field agricultural machinery and grading, sorting and handling machinery, primarily for use in the potato industry. **Proceeds**—For working capital. **Office**—Gering, Nebr. **Underwriter**—First Trust Co. of Lincoln, Neb.

★ **Lytton Financial Corp.**
March 30, 1961 filed 300,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The company owns the stocks of several California savings and loan associations. It also operates an insurance agency, and through a subsidiary, Title Acceptance Corp., acts as trustee under trust deeds securing loans made by the associations. **Proceeds**—To repay loans and for working capital. **Office** — 8150 Sunset Boulevard, Hollywood, Calif. **Underwriters**—William R. Staats & Co., Los Angeles and Shearson, Hammill & Co., New York City (managing). **Offering**—Expected in early May.

● **Mack Trucks, Inc. (4/19)**
March 17, 1961 filed $20,000,000 of subordinated debentures, due 1981 with attached warrants to buy common stock. **Price**—To be filed by amendment. **Business**—The manufacture of heavy duty trucks. **Proceeds**—To refund $13,198,000 of outstanding 5¼% subordinated debentures, due 1968; for the repayment of bank loans; for construction of a new plant at Hagerstown, Md.; and for working capital. **Offices**—350 Fifth Ave., New York City and 1000 South Second St., Plainview, N. J. **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing).

● **Madison Gas & Electric Co. (4/26)**
March 23, 1961 filed $7,000,000 of first mortgage bonds, due April 1, 1991. **Proceeds**—For repayment of bank loans and for construction. **Office** — 100 No. Fairchild Street, Madison 1, Wis. **Underwriters** — To be determined by competitive biding: Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Glore, Forgan & Co. and Harriman Ripley & Co., Inc. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Eastman Dillon, Union Securities & Co.; Kidder, Peabody & Co., and White, Weld & Co. (jointly). **Bids**—Expected to be received on April 26 at 10 a.m. (CST) on the 8th floor of 111 W. Monroe Street, Chicago, Ill. **Information Meeting**—2 p.m. (CST) at the same address.

Majestic Specialties, Inc. (4/10-14)
March 7, 1961 filed 140,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The firm is chiefly engaged in making and selling ladies' sportswear coordinates. **Office** — 340 Claremont Ave., Jersey City, N. J. **Underwriter**—Hayden, Stone & Co., New York City (managing).

★ **Mallory Randall Corp.**
March 30, 1961 filed 120,000 shares of common stock (par 10 cents). **Price**—To be supplied by amendment **Business**—The design, manufacture and sale of a line of plastic insulated food and drink serving accessories, principally mugs, bowls and tumblers. **Proceeds**—For plant relocation, new equipment, and other corporate purposes. **Office**—84 Clifton Place, Brooklyn, N. Y. **Underwriter**—Pistell, Crow, Inc., New York City. **Offering**—Expected in late May.

● **Mansfield Industries Inc. (4/10-14)**
Jan. 31, 1961 filed 150,000 shares of common stock of which 50,000 shares will be offered for the account of the issuing company and 100,000 shares, representing outstanding stock, will be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business**—The manufacture of motion picture projectors and related equipment. **Proceeds** — For general corporate purposes, including working capital. **Office**—1227 West Loyola Ave., Chicago, Ill. **Underwriter**—McDonnell & Co., Inc., New York City (managing).

● **Marcon Electronics Corp. (4/10-14)**
Feb. 27, 1961 (letter of notification) 30,000 shares of common stock (par $1). **Price** — $10 per share. **Business** — Manufacture of electrical and electronic equipment. **Proceeds**—For purchase of equipment and tooling, research and development and working capital. **Office**—199 Devon Terrace, Kearny, N. J. **Underwriter**—Meade & Co., New York, N. Y.

Marine & Electronics Manufacturing Inc.
Sept. 22, 1960 (letter of notification) 100,000 shares of common stock class A (par 10 cents). **Price**—$3 per share. **Proceeds**—For expenses in the fabrication of sheet metal parts for missiles, rockets, radar and marine items. **Address**—Hagerstown, Md. **Underwriter**—Batten & Co., Washington, D. C.

Marine Structures Corp.
Feb. 1, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds**—To purchase raw materials, advertising and for working capital. **Office**—204 E. Washington St., Petaluma, Calif. **Underwriter**—Grant, Fontaine & Co., Oakland, Calif.

★ **Martin Paint Stores, Inc.**
March 27, 1961 (letter of notification) $300,000 of 7% convertible subordinate sinking fund debentures, due April 15, 1971. **Price**—At par. **Business**—The operation of retail stores selling paint, wallpaper and related items. **Proceeds** — For working capital. **Office** — 153-22 Jamaica Avenue, Jamaica 32, N. Y. **Underwriter**—None.

Matthews Corp.
Feb. 28, 1961 (letter of notification) 200,000 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—To retire bank loans; purchase new equipment and for working caiptal. **Office**—12923 Cerise Street, Hawthorne, Calif. **Underwriters**—Holton, Henderson & Co., Los Angeles, Calif., and Sellgren, Miller & Co., San Francisco, Calif.

Max Factor & Co. (4/11)
March 6, 1961 filed 400,000 shares of class A stock, of which 200,000 are to be offered for public sale by the company and 200,000 shares, being outstanding stock, by the present holders thereof. **Price**—To be related to the current market price of the stock on the American Stock Exchange immediately prior to the offering. **Business**—The development, manufacture and sale of a general line of cosmetics. **Proceeds**—For construction, expansion, additional plant equipment and for working capital. **Office**—1655 North McCadden Place, Hollywood, Calif. **Underwriter**—Blyth & Co., Inc., New York City.

★ **Meridian Electronics, Inc.**
March 20, 1961 (letter of notification) 95,000 shares of common stock (par 10 cents) of which 91,290 shares are to be offered by the company and 3,710 shares by the present holders thereof. **Price**—$3 per share. **Proceeds**—To repay loans and for working capital. **Office**—1001 W. Broad Street, Richmond, Va. **Underwriter**—B. N. Rubin & Co., Inc., New York, N. Y.

● **Mesabi Iron Co.**
Jan. 10, 1961 filed 119,322 shares of capital stock being offered for subscription by the company's stockholders of record April 3 on the basis of one new share for each 10 shares then held, with rights to expire on April 24. **Price**—$60 per share. **Proceeds**—To establish a reserve for 1960 tax payments. **Office**—452 Fifth Ave., New York City. **Underwriter**—None.

Metropolitan Securities, Inc.
Nov. 17, 1960 (letter of notification) 100,000 shares of class A common stock (par $1). **Price**—$3 per share. **Proceeds** — For working capital. **Office** — 919-18th St., N. W., Washington. D. C. **Underwriter** — Metropolitan Brokers, Inc., Washington, D. C.

Miami Industries, Inc.
March 24, 1961 filed 175,000 outstanding shares of class A common stock (par $1), to be offered for public sale by the holders thereof. **Price**—$9.50 per share. **Business**—The production and sale of electric resistance welded steel tubing. **Proceeds** — For the selling stockholders. **Office** — Springcreek Township, Miami County, Ohio. **Underwriter**—H. Hentz & Co., New York City (managing). **Offering**—Expected in late May.

★ **Micro Electronics Corp.**
March 31, 1961 filed 100,000 shares of common stock. **Price**—$4 per share. **Proceeds**—$124,000 for new plant, $76,000 for equipment, and $110,000 for working capital. **Office**—Denver, Colo. **Underwriter**—R. Baruch & Co., Washington, D. C. (managing).

Microtron Industries, Inc.
March 1, 1961 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds** — For purchase of equipment; inventory of parts; working capital; and research and development. **Office** — 120 S. Fairfax, Denver, Colo. **Underwriter**—Amos C. Sudler & Co., Denver, Colo.

● **Microwave Associates, Inc.**
March 27, 1961 filed 240,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—To be related to the current market price of the stock on the American Stock Exchange at the time of the offering. **Business**—The design and production of specialized components used in microwave radio energy. **Proceeds** — For the selling stockholders. **Office** — South Street, Burlington, Mass. **Underwriters**—Lehman Brothers; Kuhn, Loeb & Co., Inc., and Clark, Dodge & Co., Inc., all of New York City. **Offering**—Expected in mid-May.

Midwestern Acceptance Corp.
Sept. 8, 1960, filed 1,169,470 shares of common stock and $994,050 of 6% debentures, to be offered for public sale in units of one share of stock and 85¢ of debentures. **Price** — $1 per unit. **Business** — The company will do interim financing in the home building industry. **Proceeds** — To start its lending activities. **Address** — P. O. Box 886, Rapid City, S. D. **Underwriter**—None.

● **Milliken (D. B.) Co.**
March 15, 1961 filed $240,000 of 6% subordinated sinking fund debentures, due 1971, with stock purchase warrants attached, together with 75,000 shares of capital stock. **Prices**—The debentures will be sold at par, with a 7½% underwriter's commission; the stock will be sold at $3 per share. **Proceeds**—For debt reduction and working capital. **Office**—131 North Fifth Ave., Arcadia, Calif. **Underwriter**—Lester, Ryons & Co., Los Angeles, Calif. **Offering**—Expected in May.

● **Minneapolis-Honeywell Regulator Co. (4/19)**
March 17, 1961 filed $25,000,000 sinking fund debentures, due 1986, andl 250,000 shares of convertible preference stock (par $100). **Price**—To be supplied by amendment. **Business**—Manufactures heating controls, automatic control systems, electronic data processing systems and a line of military products. **Proceeds** — For additional working capital. **Office**—2747 Fourth Ave., South, Minneapolis, Minn. **Underwriter** — Eastman Dillon, Union Securities & Co., New York City (managing).

★ **Missile Sites, Inc.**
March 30, 1961 filed 291,000 shares of common stock. **Price**—$5 per share. **Business**—A prime contractor with governmental agencies for the building of missile and radar sites and other specialized facilities. **Proceeds**—For working capital. **Office**—11308 Grandview Ave., Wheaton, Md. **Underwriter**—Balogh & Co., Inc., Washington, D. C.

★ **Moderncraft Towel Dispenser Co., Inc.**
March 30, 1961 filed 80,000 shares of common stock, of which 73,750 shares are to be offered for public sale by the company and 6,250 outstanding shares by the underwriter. **Price**—$4 per share. **Business**—The manufacture and sale of an improved towel dispensing cabinet. **Proceeds**—For advertising, research and development, payment of debt, and working capital. **Office** — 20 Main Street, Belleville, N. J. **Underwriter**—Vickers, Christy & Co., Inc., New York City.

Mohawk Insurance Co. (4/17-21)
Aug. 8, 1960, filed 75,000 shares of class A common stock. **Price**—$12 per share. **Proceeds**—For general funds. **Office**—198 Broadway, New York City. **Underwriter**—R. F. Dowd & Co., Inc., 39 Broadway, New York 6, N. Y.

Mokan Small Business Investment Corp., Inc.
Jan. 17, 1961 filed 3,000 shares of common stock. **Price**—$100 per share. **Business**—The company was organized under Kansas law in October 1960 and is applying to the Small Business Administration for a Federal license to operate as a small business investment company. **Proceeds**—For general corporate purposes. **Office** — 719 Walnut St., Coffeyville, Kan. **Underwriter**—None.

● **Mortgage Guaranty Insurance Co.**
Oct. 17, 1960 filed 155,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—Insuring lenders against loss on residential first mortgage loans, principally on single family non-farm homes. **Proceeds**—For capital and surplus. **Office**—606 West Wisconsin Avenue, Milwaukee, Wis. **Underwriter**—Bache & Co., New York City (managing). **Note**—This stock is not qualified for sale in New York State. **Offering**—Expected in June.

Morton Foods, Inc.
Feb. 17, 1961 filed 190,000 shares of common stock, of which 178,000 are to be offered for public sale by the company and 12,000 shares, being outstanding stock, by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The company manufactures, processes, packages and sells many food items such as potato chips, salad dressing, pickels, honey, tea and spices. **Proceeds** — To build and equip two additional manufacturing plants and warehouses. **Office** — 6333 Denton Dr., Dallas, Tex. **Underwriter**—Eppler. Guerin & Turner, Inc., Dallas, Tex. (managing).

★ **Morton Manufacturing Corp.**
March 28, 1961 filed 100,000 outstanding shares of common stock (par $1), to be offered for public sale by the holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of medicated proprietary items, cosmetics, toiletries and fragrances. **Proceeds** — For the selling stockholders. **Office** — 2101 Hudson Street, Lynchburg, Va. **Underwriter** — Smith, Barney & Co., New York City (managing). **Offering**—Expected in early May.

Motorola, Inc. (4/25)
March 27, 1961 filed $30,000,000 of debentures, due 1986. **Price**—To be supplied by amendment. **Business**—The development, manufacture and sale of electronic products. **Proceeds**—For the repayment of debt and advances to Motorola Finance Corp., a wholly-owned subsidiary. **Office**—9401 W. Grand Ave., Franklin Park, Ill. **Underwriters**—Halsey, Stuart & Co., Inc. and Goldman, Sachs & Co., New York City (managing).

● **Municipal Investment Trust Fund, Series A**
Sept. 1, 1960 filed $20,000,000 of interest in the Fund to be offered in 20,000 units. **Business**—The Fund will purchase tax-exempt securities of states, municipalities, counties and territories of the United States. **Sponsor**—Ira Haupt & Co., 111 Broadway, New York City. **Note**—This statement was effective on Feb. 14. **Offering**—Imminent.

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★ Nash (J. M.) Co., Inc.
March 30, 1961 filed $1,000,000 of series A subordinated debentures, due July 1, 1981 and $1,000,000 of series B convertible subordinated debentures, due July 1, 1981. **Price**—To be supplied by amendment. **Business**—The manufacture of a variety of industrial products including woodworking and packaging equipment, power saws, auxiliary power plants, centrifugal pumps, inboard marine engines and a line of leisure time and sporting goods merchandise. **Proceeds**—To retire on or about Oct. 1, 1961 all outstanding 7½% convertible debentures; to repay bank loans, and for other corporate purposes. **Office**—208 Wisconsin Avenue, Milwaukee, Wis. **Underwriter**—Robert W. Baird & Co., Milwaukee (managing).

● National Airlines, Inc.
Sept. 21, 1960 filed $10,288,000 of convertible subordinated debentures, due 1975, to be offered for subscription by holders of the outstanding common stock on the basis of $100 of debentures for each 18 common shares held. **Price**—To be supplied by amendment. **Business**—Domestic and international transport of persons, property, and mail. **Proceeds**—To make payments on planes and reduce short-term indebtedness, with the balance for general corporate purposes. **Office** — Miami International Airport, Miami, Fla. **Underwriter** — Lehman Brothers, New York City (managing). **Offering**—Expected in late April.

● National Bagasse Products Corp.
March 14, 1961 filed 16,200 units, each unit consisting of $100 of 15-year 7% subordinated debentures, 30 shares of class A common and 10 warrants (to buy a like number of class A shares). **Price** — $163.85 per unit. **Business** — Manufactures composition board, hard board and insulating board from bagasse, a waste product of sugar refining. **Proceeds** — To build a new plant at Vacherie, La. **Office**—821 Gravier St., New Orleans, La. **Underwriters**—S. D. Fuller & Co., New York City, and Howard, Weil, Labouisse, Fredrichs & Co., New Orleans (managing). **Offering**—Expected in early May.

● National Food Marketers, Inc. (4/10-14)
Jan. 27, 1961 filed 100,000 shares of common stock. **Price** $4 per share. **Business**—The company is engaged in the processing and packaging of quick-frozen, prepared seafood meat and poultry for use by restaurants and institutions and frozen ready-to-heat meals for distribution through vending machines. **Proceeds** — To repay loans; purchase additional machinery; establish a food laboratory, and for advertising, promotion, and working capital. **Office**—Blue Anchor, N. J. **Underwriter**—Robert Edelstein Co., Inc., New York City.

National Fuel Gas Co. (4/24)
March 22, 1961, filed $27,000,000 of sinking fund debentures, due May 1, 1986. **Proceeds**—To refund $15,000,000 of 5½% debentures due 1982 and for other corporate purposes. **Office**—30 Rockefeller Plaza, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; First Boston Corp.; Eastman Dillon, Union Securities & Co., and Stone & Webster Securities Corp. (jointly). **Bids**—To be received April 24 at 11:30 a.m. (EST) in Room 2033, 2 Rector Street, New York City. **Information Meeting**—Scheduled for April 21, at 11 a.m. (EST) in Room 240, 2 Rector Street, New York City.

★ National Mercantile Corp.
March 29, 1961 filed 100,000 shares of common stock and five-year warrants to purchase an additional 20,000 common shares, to be offered for public sale in units consisting of one common share and one-fifth of a warrant. **Price**—To be supplied by amendment. **Business**—The wholesale distribution and retail mail order sale of general merchandise, including phonograph records. **Proceeds**—For the repayment of loans and for working capital. **Office**—1905 Kerrigan Avenue, Union City, N. J. **Underwriter**—A. T. Brod & Co., New York City (managing).

National Scientific Corp.
March 24, 1961 filed 1,500,000 shares of common stock. **Price**—$1.15 per share. **Business**—The company is licensed under the Small Business Investment Act of 1958 and is registered with the SEC as a non-diversified, closed-end, management investment company, which will invest in the fields of electronics, physics and chemistry. **Proceeds**—For investment and operating expenses. **Office** — First National Bank Building, Minneapolis, Minn. **Underwriter**—Bratter & Co., Inc., Minneapolis, Minn.

● Nedick's Stores, Inc. (4/17-24)
Feb. 21, 1961 filed 185,000 shares of common stock (par 20 cents), of which 60,000 shares are to be offered for the account of the company and 125,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Proceeds** — For expansion and working capital. **Office**—513 West 166th St., New York, N. Y. **Underwriter**—Van Alstyne, Noel & Co., New York City (managing).

New England Telephone & Telegraph Co. (4/11)
March 22, 1961 filed $45,000,000 of 38-year debentures. **Proceeds**—To redeem on or about May 12, outstanding 5¾% debentures due Sept. 1, 1994 in the same amount. **Office**—185 Franklin St., Boston 7, Mass. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp.; Morgan Stanley & Co. **Bids**—To be received in room 2315, 195 Broadway, New York City, on April 11 before 11 a.m.

★ New England Telephone & Telegraph Co. (4/25)
March 30, 1961 this subsidiary of A. T. & T. filed 3,149,-615 shares of capital stock to be offered for subscription by stockholders on the basis of one new share for each seven shares held of record April 25. **Price**—To be supplied by amendment. **Proceeds**—To retire $40,000,000 of first mortgage 4½% bonds, series B, which mature May 1, 1961 and to repay advances from the parent company. **Office**—185 Franklin Street, Boston, Mass. **Underwriter**—None.

New York State Electric & Gas Corp. (5/16)
March 24, 1961 filed $25,000,000 of first mortgage bonds due 1991. **Proceeds**—To repay bank loans and for construction. **Office**—108 East Green Street, Ithaca, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co. and Salomon Bros. & Hutzler (jointly); Blyth & Co., Inc.; Harriman Ripley & Co.; First Boston Corp., and Glore, Forgan & Co. (jointly). **Bids**—To be received on May 16 at 11 a.m. (EST).

Normandy Oil & Gas, Inc.
Aug. 31, 1960 filed 750,000 shares of common stock. **Price**—$1 per share. **Business**—Oil and gas exploration and production. **Proceeds** — For general corporate purposes. **Office**—620 Oil & Gas Bldg., Wichita Falls, Texas. **Underwriter**—None, but 102,500 of the shares are reserved for commissions to selling brokers at the rate of 15 shares for each 100 shares sold.

★ North Electric Co. (5/15)
March 30, 1961 filed 22,415 shares of common stock to be offered for subscription by stockholders of record May 15. **Price**—To be supplied by amendment. **Business**—This subsidiary of L. M. Ericsson Telephone Co. of Stockholm, Sweden, manufactures telecommunications equipment, remote control systems, electromechanical and electronic components, and power supply assemblies. **Proceeds**—To repay loans and for working capital. **Office**—553 South Market Street, Galion, Ohio. **Underwriter**—None.

● Northern Instrument Corp. (4/24-28)
March 10, 1961 (letter of notification) 75,000 shares of common stock (par one cent). **Price**—$4 per share. **Business**—Manufacturers of electronic devices. **Proceeds**—For general corporate purposes. **Office**—3 Carll Ave., S., Babylon, N. Y. **Underwriter**—I. R. E. Investors Corp., Levittown, N. Y.

★ Northwestern Public Service Co.
April 3, 1961 filed 54,571 shares of common stock to be offered for subscription by holders of common stock on the basis of one new share for each 12 shares held. **Price**—To be supplied by amendment. **Office**—Huron, S. D. **Underwriter**—To be named.

Ohio-Franklin Fund, Inc. (4/17)
Feb. 3, 1961 filed 2,000,000 shares of common stock to be offered to investors through a tax-free exchange of shares for securities of a selected list of companies. **Exchange Price**—Net asset value (expected to be $10 per share). **Business**—A new fund which provides a medium through which holders of blocks of securities may obtain diversification and continuous professional investment management without incurring Federal capital gains tax liability upon the exchange. **Proceeds**—For investment. **Office**—51 North High St., Columbus, O. **Distributor**—The Ohio Co., Columbus, O.

★ Opelika Manufacturing Corp. (5/1-5)
March 30, 1961 filed 200,000 outstanding shares of common stock (par $5), to be offered for public sale by the holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of a variety of textile products to the linen rental industry and to hospitals and other institutions. **Proceeds**—For the selling stockholders. **Office**—361 West Chestnut Street, Chicago, Ill. **Underwriter** — Glore, Forgan & Co., New York City (managing).

Orange & Rockland Utilities, Inc. (4/20)
March 14, 1961 filed $12,000,000 of first mortgage bonds, series G, due April 15, 1991. **Proceeds**—For redemption of $6,442,000 of first mortgage bonds, series B, due May 1, 1961; for repayment of bank loans and for construction. **Office**—10 North Broadway, Nyack, N. Y. **Underwriters**—To be determined by competitive bidding. Previous bidders: Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; W. C. Langley & Co., Glore, Forgan & Co. (jointly); First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc., Eastman Dillon, Union Securities & Co., Kidder, Peabody & Co., and White, Weld & Co. (jointly). **Bids**—Expected to be received on April 20. **Information Meeting**—Scheduled for 11 a.m. (EST) April 13 at Bankers Trust Co., 16 Wall St., New York City.

★ Ortronix, Inc.
March 24, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For product development, machinery and equipment, and working capital. **Office**—Forsythe Rd., Orlando, Fla. **Underwriters**—Beil & Hough, Inc., St. Petersburg, Fla.; Goodbody & Co., New York City; Courts & Co., Atlanta, Ga.; Security Associates, Inc., Winter Park, Fla.; McDaniel & Co., Greensboro, N. C.; Nolting, Nichol & O'Donnell Inc., Pensacola, Fla.; Oscar E. Dooly & Co., Miami, Fla., and John H. Harrison & Co., Orlando, Fla.

● Palm Developers Limited (4/10)
Sept. 8, 1960, filed 100,000 shares of common stock (par 1 shilling). **Price** — $3 per share. **Business** — The company intends to deal in land in the Bahamas. **Proceeds**—To buy land, and for related corporate purposes. **Office**—6 Terrace, Centreville, Nassau, Bahamas. **Underwriter**—David Barnes & Co., Inc., New York City.

● Panacolor, Inc. (5/1-5)
Feb. 24, 1961 filed 200,000 shares of common stock (par 20 cents). **Price**—$4 per share. **Business**—The company plans to engage in the business of developing and printing color film primarily for the motion picture and television industries. **Proceeds**—For the construction of two machines to print color film by the Panacolor Process; for sales promotion, market development and officers' salaries; for mortgage and interest payments; and for working capital. **Office**—6660 Santa Monica Blvd., Hollywood, Calif. **Underwriter** — Federman, Stonehill & Co., New York City (managing).

● Paxton (Frank) Lumber Co.
March 28, 1961 filed 83,389 outstanding shares of class A common (par $2.50) to be offered for public sale by the present holders thereof. **Price** — To be supplied by amendment. **Business** — The operation of a chain of lumber yards in the middle west. **Proceeds**—For the selling stockholders. **Office** — 6311 St. John Avenue, Kansas City, Mo. **Underwriter**—Stern Brothers & Co., Kansas City (managing).

Pearce-Simpson, Inc.
Dec. 30, 1960 filed $1,800,000 of outstanding 6% convertible debentures due April 1, 1970; 200,000 shares of common stock reserved for issuance upon conversion of the debentures; 145,938 outstanding shares of common stock; 72,500 outstanding warrants for the purchase of common shares and a like number of underlying shares. **Business**—The manufacture of radio telephones. **Proceeds**—To the selling stock and debenture holders. **Office**—2295 N. W. 14th Street, Miami, Fla. **Underwriter**—None.

● Pennsylvania Electric Co. (5/17)
March 28, 1961 filed $10,000,000 of first mortgage bonds, due 1991. **Office**—222 Levergood Street, Johnstown, Pa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., and Harriman Ripley & Co. (jointly); First Boston Corp.; Equitable Securities Corp.; Kidder, Peabody & Co.; Kuhn, Loeb & Co. **Bids**—To be received on the 37th Floor of 80 Pine Street, New York City on May 17 at 11 a.m. (DST). **Information Meeting**—To be held at the above address on May 12 at 10 a.m. (DST).

● Pennsylvania Electric Co. (6/5)
March 28, 1961 filed $12,000,000 of debentures, due 1986. **Office**—222 Levergood Street, Johnstown, Pa. **Underwriters**—To be determined by competitive bidding. The company has never before issued debentures. However, the following underwriters bid on the last issue of bonds: Blyth & Co., Inc., and Harriman Ripley & Co. (jointly); First Boston Corp.; Equitable Securities Corp.; Kidder, Peabody & Co.; Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co. **Bids**—To be received at 80 Pine Street, 37th floor, on June 5 at noon (DST). **Information Meeting**—To be held at the above address on June 2 at 10 a.m. (DST).

★ Pennsylvania & Southern Gas Co.
March 30, 1961 filed $600,000 of 5½% convertible debentures due June 1, 1981 to be offered for subscription by common stockholders on the basis of one $100 debenture for each 10 shares held. **Price** — At 100% of principal amount. **Proceeds** — To redeem all outstanding 6½% preferred stock, series A, B and C, and for construction. **Office**—137 West Lockhart St., Sayre, Pa. **Underwriter**—None.

★ Peoples Gas Light & Coke Co. (5/9)
March 30, 1961 filed $30,000,000 of first and refunding mortgage bonds, series J, due 1986. **Proceeds**—To pay at maturity $15,100,000 of first and refunding mortgage 3% bonds, series G, due June 15, 1961 and for general corporate purposes. **Office**—122 S. Michigan Avenue, Chicago 3, Ill. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Glore, Forgan & Co.; First Boston Corp. **Bids**—To be received on May 9 at 11 a.m. (DST).

★ Perini Corp.
March 30, 1961 filed 1,451,998 shares of common stock (par $1), of which 1,350,000 are to be offered for public sale by the company, and 101,998 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company is engaged in the construction and general contracting business in the U. S. and Canada and recently entered the real estate development field. In addition it will control and operate the National League Baseball Club of Milwaukee, Inc. **Proceeds**—To repay loans and for general corporate purposes. **Office** — 73 Mt. Wayte Ave., Framingham, Mass. **Underwriters**—F. S. Moseley & Co., Boston, Mass., and Paine, Webber, Jackson & Curtis, New York City.

● Personal Property Leasing Co. (4/10-14)
Jan. 24, 1961 filed 150,000 shares of capital stock. **Price**—$6.50 per share. **Business**—The company is engaged in the business of leasing a variety of equipment and machinery to industrial and commercial firms to meet their specific requirements. **Proceeds** — For additional working capital. **Office** — 6381 Hollywood Blvd., Los Angeles, Calif. **Underwriter**—Dempsey-Tegeler & Co., St. Louis (managing).

Peterson Building Corp.
Feb. 24, 1961 filed $630,000 of 5½% leasehold mortgage sinking fund bonds to be offered for public sale in denominations of $1,000 and $500. **Business**—The company is constructing a building on leased premises in the business district of Lincoln, Neb., which will provide street level space for retail tenants and a six-level, self-parking garage. **Proceeds**—For construction. **Office**—National Bank of Commerce Bldg., Lincoln, Neb. **Underwriters**—Ellis, Holyoke & Co., and Commerce Investment Co., both of Lincoln, Neb.

Pharmaceutical Vending Corp.
Feb. 17, 1961 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For machinery and equipment, plant facilities, inventory and working capital. **Office**—100 W. 10th Street, Wilmington, Del. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif.

Philadelphia Aquarium, Inc.
Oct. 14, 1960 filed $1,700,000 of 6% debentures due 1975 and 170,000 shares of capital stock (par 50 cents) to be offered in units, each consisting of one $100 debenture and 10 shares of stock. **Price**—$150 per unit. **Business**—Operation of an aquarium in or about Philadelphia. **Proceeds**—To acquire ground and to construct an aquari-

um building or buildings. **Office**—2635 Fidelity-Philadelphia Trust Building, Philadelphia, Pa. **Underwriter**—Stroud & Co., Inc., Philadelphia, Pa.

★ Photogrammetry, Inc.
March 20, 1961 (letter of notification) 23,000 shares of common stock (par $1). **Price**—$8 per share. **Proceeds**—For construction, equipment and working capital. **Office**—922 Burlington Avenue, Silver Spring, Md. **Underwriter**—First Investment Planning Co., Washington, D. C.

Photronics Corp. (6/15)
Feb. 24, 1961 filed 150,000 shares of common stock (par 10 cents), to be offered for subscription by stockholders on the basis of three new shares for each four shares held. **Price**—To be supplied by amendment. **Business**—The design, development and manufacture of optical and electro-optical systems and components used in aerial reconnaissance, photo-interpretation, photo-grammetry and optical scanning devices. **Proceeds** — For working capital, research and development, and new equipment. **Office**—134-08 36th Road, Flushing, N. Y. **Underwriter**—L. D. Sherman & Co., New York City.

● Physio-Chem Corp.
Feb. 15, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business**—Manufacturers of educational and scientific equipment for boys and girls. **Proceeds**—For general corporate purposes. **Office**—511 Homestead Avenue, Mount Vernon, N. Y. **Underwriter**—Fontana Securities Inc., New York, N. Y. **Note**—This company was formerly called Home Lab Supply, Inc. **Offering**—Imminent.

Plastics Corp. of America, Inc.
Feb. 9, 1961 filed 800,000 shares of common stock, of which 650,000 shares are to be offered first in exchange for outstanding 5% notes on the basis of one share for each $1 principal amount of 5% note with the remaining 150,000 shares, together with any of the 650,000 shares not issued in the exchange, to be offered publicly. **Price**—$1 per share. **Business**—The company was organized under Minnesota law in November 1960 to provide a vehicle for the acquisition of companies engaged in the fields of plastics, rubber and related materials. **Proceeds** — To retire the above notes, open a plant in the Minneapolis-St. Paul area and provide working capital for any newly acquired companies. **Office**—1234 Baker Bldg., Minneapolis, Minn. **Underwriter**—None.

● Popell (L. F.) Co.
Nov. 18, 1960 filed 99,996 shares of common stock to be offered for subscription by common stockholders at the rate of one share for each three shares of common stock held. **Price**—To be supplied by amendment. **Business**—Distribution, sale and installation of building, insulating and acoustical products. **Proceeds**—For plant construction; expansion of its distribuiton of Perma-Glaze and working capital. **Office**—2501 Northwest 75th Street, Miami, Fla. **Underwriter**—To be supplied by amendment. **Note**:—This statement was withdrawn on April 3.

Potter Instrument Co., Inc.
March 24, 1961 filed 210,000 shares of common stock, of which 190,000 shares are to be offered for public sale by the company and 20,000 outstanding shares by the present holder thereof. **Price**—$10 per share. **Business**—The manufacture and sale of electronic data processing equipment. **Proceeds**—For the repayment of loans and to finance accounts receivable and inventories. **Office**—Plainview, L. I., N. Y. **Underwriter**—Bear Stearns & Co., New York City (managing). **Offering**—Expected in early May.

★ Power Designs Inc.
March 31, 1961 filed 500,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—The design, manufacture and sale of power supply equipment for the conversion of commercial AC power. **Proceeds**—To repay loans for expansion and working capital. **Office**—1700 Shames Drive, Westbury, N. Y. **Underwriter**—Pistell, Crow, Inc., New York City. **Offering**—Expected in late May.

★ Precisionware, Inc.
March 30, 1961 filed 125,000 shares of common stock (par $1), of which 50,000 shares are to be offered for public sale by the company and 75,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—A contract manufacturer of kitchen cabinets and other types of wood cabinets which the company sells to builders, contractors and distributors. **Proceeds**—For new equipment, plant expansion and working capital. **Office** — 78 Livingston St., Brooklyn, N. Y. **Underwriter**—Hayden, Stone & Co., New York City (managing). **Offering**—Expected in late May.

● Presidential Realty Corp. (4/10-14)
Jan. 30, 1961 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Business** — The company was organized under Delaware law in January, 1961, to acquire the outstanding stock of the Shapiro Co., which is engaged in the development of real estate projects of various types. **Proceeds**—For construction; acquisition of properties; development of projects; and reduction of bank debt. **Office**—180 South Broadway, White Plains, N. Y. **Underwriter**—Burnham & Co., New York City (managing).

Presto Dyechem Co., Inc.
Feb. 27, 1961 (letter of notification) 110,000 shares of common stock (par 10 cents). **Price** — $2.50 per share. **Business**—Producers of dye markers and shark repellants. **Proceeds**—For general corporate purposes. **Office** 45 John Street, Yonkers, N. Y. **Underwriter** — Frank Karasik & Co., Inc., New York, N. Y.

Products Research Co.
March 27, 1961 filed 283,200 shares of common stock (par $2), of which 120,000 shares are to be offered for public sale by the company and 163,200 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The development, manufacture and sale of synthetic rubber caulking compounds, protective coatings, encapsulation materials and glass skylights. **Proceeds**—For the selling stockholders. **Office**—2919 Empire Ave., Burbank, Calif. **Underwriter**—Schwabacher & Co., San Francisco, Calif. (managing).

Progress Webster Electronics Corp. (4/10-17)
Jan. 13, 1961 filed 150,000 shares of common stock. **Price**—$4.50 per share. **Business**—The company and its subsidiaries are engaged in the business of manufacturing, distributing and developing electronic equipment and components and related products for residential, commercial and military use. **Proceeds**—For working capital. **Office**—10th Street, and Morton Avenue, Chester, Pa. **Underwriter**—Marron, Sloss & Co., Inc., New York City (managing).

● Publishers Company, Inc. (4/24-28)
Jan. 27, 1961 filed 220,000 shares of common stock. **Price**—$10 per share. **Business**—The company and its subsidiaries are engaged in the business of selling and financing books sales. **Proceeds**—To acquire the assets of Books, Inc., 1140 Broadway, New York City; to invest in a new District of Columbia company, Books, Inc.; to invest additional funds in a subsidiary; to finance installment sales contracts receivable and for working capital. **Office**—1116 18th St., N. W., Washington, D. C. **Underwriters**—Amos Treat & Co., Inc., New York City and Roth & Co., Inc., Philadelphia, Pa. (managing).

Puerto Rican Airlines, Inc.
Feb. 6, 1961 (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price** — $3 per share. **Proceeds** — For accounts payable, to purchase equipment and for general corporate purposes. **Office**—c/o F. J. Perez-Almiroty, 1764 Ponce de Leon Ave., San Juan, Puerto Rico. **Underwriter**—Investment Securities Co. of Maryland, Inc., Baltimore, Md.

● Ram Electronics, Inc.
Dec. 28, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Manufacturers of electronic and replacement parts for television receivers and other electrical circuits. **Proceeds**—For general corporate purposes. **Office**—600 Industrial Ave., Paramus, N. J. **Underwriter**—To be named. **Offering**—Expected in April.

★ Real Estate Investment Trust of America
March 31, 1961 filed 500,000 shares of beneficial interest in the Trust. **Price**—To be supplied by amendment. **Business**—The Trust which was organized in 1955 to acquire the assets of three Massachusetts business trusts now holds real estate properties in 12 states and the District of Columbia. **Proceeds** — For investment. **Office** — 294 Washington St., Boston, Mass. **Underwriters** — Paine, Webber, Jackson & Curtis; Kidder, Peabody & Co., and Lee Higginson Corp., all of New York City.

Recreation Enterprises, Inc.
March 16, 1961 filed 110,000 units of common stock and warrants, each unit to consist of one share of class A common and two common stock purchase warrants for the purchase of class A common (one exercisable at $5.50 per share for 18 months and the other at $6 per share within 36 months). **Price**—$5 per unit. **Business**—The company plans to operate a chain of bowling alleys in the midwestern states, initially in Missouri and Kansas. **Proceeds**—For the building of bowling centers. **Office**—6000 Independence Ave., Kansas City, Mo. **Underwriter**—I. M. Simon & Co., St. Louis, Mo.

Red Star Yeast & Products Co.
March 16, 1961 filed $1,000,000 of convertible subordinated debentures, due 1976. **Price** — To be supplied by amendment. **Business**—The production of yeast and yeast products for the pharmaceutical, food, and animal feed industries. **Proceeds** — For diversification and possible acquisitions. **Office**—221 East Buffalo St., Milwaukee, Wis. **Underwriter**—Loewi & Co., Inc., Milwaukee.

★ Renaire Foods, Inc.
March 30, 1961 filed $600,000 of debentures, 6½% convertible series due 1976, to be offered for public sale by the company and 125,000 shares of common stock, of which 100,000 shares are to be offered for sale by the company and 25,000 outstanding shares by the present holders thereof. **Price**—At 100% of principal amount, for the debentures and about $6 per share for the stock. **Business**—The retail distribution of food freezers, frozen foods, groceries, vitamins, proprietary medicines and sundries, principally in the Philadelphia and Baltimore trading areas. **Proceeds**—For construction, the purchase of installment contracts resulting from the sales of food and freezers, and for working capital. **Office**—770 Baltimore Pike, Springfield, Pa. **Underwriter**—P. W. Brooks & Co., Inc., New York City. **Offering**—Expected in late May or early June.

★ Reserve Mortgage Co.
March 21, 1961 (letter of notification) 300,000 shares of class B common stock. **Price**—At par ($1 per share). **Proceeds**—For working capital. **Office**—3470 S. Sherman Street, Englewood, Colo. **Underwriter**—None.

● Resitron Laboratories, Ltd. (4/10-14)
Feb. 16, 1961 (letter of notification) 200,000 shares of common stock. **Price** — $1 per share. **Business** — The manufacture of closed circuit television tubes, circuit breakers and relays for high powered communications systems. **Proceeds**—To repay bank loans, purchase new equipment and for working capital. **Office** — 2908 Nebraska Avenue, Santa Monica, Calif. **Underwriter**—D. E. Liederman & Co., Inc., 50 Broad St., New York City.

● Roblin-Seaway Industries, Inc. (4/17-21)
Dec. 29, 1960 filed 80,000 shares of class A stock. **Price**—$6 per share. **Business**—Organized under New York law in December 1960, the company will be consolidated with, and carry on the business of Roblin, Inc., which buys and sells scrap steel and other ferrous and non-ferrous metals and Seaway Steel Corp., which operates a rolling mill producing bars, rods and other shapes of steel and nickel. The company will also have interests ranging from 50% to 76% in a demolition contractor, a lessor of demolition equipment, a stevedoring business, a metals broker and a manufacturer of rolled nickel anodes and other rolled nickel products. **Proceeds**—For general corporate purposes. **Office**—1437 Bailey Ave., Buffalo, N. Y. **Underwriter** — Brand, Grumet & Seigel, Inc., New York City (managing).

Rochester Telephone Corp.
Feb. 21, 1961 filed 273,437 shares of common stock (par $10) being offered to holders of the outstanding common of record March 24 on the basis of one new share for each five shares then held. Rights expire April 10. **Price**—$24.25 per share. **Business**—The company is an independent telephone company serving without competition the city of Rochester and the adjacent areas. **Proceeds**—To be applied to the repayment of the company's 1960-1 borrowings from banks of about $6,000,000 for construction purposes. **Office**—Rochester, N. Y. **Underwriter**—First Boston Corp., New York City (managing).

Rocket Jet Engineering Corp. (5/29-6/2)
March 20, 1961 filed 110,000 outstanding shares of common stock (par 75 cents). **Price**—To be supplied by amendment. **Business** — The design, development and manufacture of escape and survival equipment used in military aircraft. **Proceeds**—For the selling stockholders. **Office**—1426 South Flower Street, Glendale, Calif. **Underwriters**—Thomas Jay, Winston & Co., Inc., Beverly Hills, Calif., and Maltz, Greenwald & Co., New York City. The latter firm will handle the books in the East.

Rocket Research Corp.
Jan. 19, 1961 filed 300,000 shares of common stock. **Price**—$2.25 per share. **Business**—The company is engaged in research on new high energy propellant systems, the development of a miniature rocket for application to satellite and space vehicles and in the preparation of proposals which have been submitted to certain governmental agencies. **Proceeds**—For general corporate purposes. **Office**—233 Holden Street, Seattle, Wash. **Underwriter**—Craig-Hallum, Kinnard, Inc., Minneapolis, Minn.

Ruth Outdoor Advertising Co., Inc.
March 10, 1961 (letter of notification) 80,000 shares of class A stock (par 10 cents). **Price**—$3 per share. **Business**—Outdoor advertising. **Proceeds**—For general corporate purposes. **Address** — R. D. No. 2, Albany, N. Y. **Underwriter**—Lewis & Stoehr, New York, N. Y. **Offering**—Expected in late April.

★ Safeguard Corp.
March 21, 1961 (letter of notification) 75,000 shares of common stock (par 50 cents). **Price**—$4 per share. **Proceeds**—For capital funds, expansion, and working capital. **Office**—1114 N. Broad Street, Lansdale, Pa. **Underwriter**—Netherlands Securities Co., Inc., New York, N. Y.

San Diego Chargers, Inc.
Feb. 28, 1961 (letter of notification) 100,000 shares of capital stock (no par). **Price**—$3 per share. **Proceeds**—For working capital. **Office**—2223 El Cajon Boulevard, San Diego 4, Calif. **Underwriter** — Norman C. Roberts Co., San Diego, Calif.

★ Schaper Manufacturing Co., Inc.
March 29, 1961 filed 80,600 shares of common stock (par $4), of which 15,000 shares are to be offered for public sale by the company and 65,600 outstanding shares by the present holder thereof. **Price**—$10 per share. **Business**—The design, assembly, manufacture and sale of a variety of plastic toys and games. **Proceeds**—For working capital. **Office**—650 Ottawa Ave., North, Minneapolis, Minn. **Underwriter** — Paine, Webber, Jackson & Curtis, New York City (managing).

★ Schneider (Walter J.) Corp.
March 30, 1961 filed 120,000 shares of class A common (par 10 cents). **Price**—$5 per share. **Business**—Organized on March 24, 1961, the company plans to engage in the real estate business and allied activities. **Proceeds**—For general corporate purposes. **Office**—67 West 44th Street, New York City. **Underwriters**—Brand, Grumet & Seigel, Inc., and Kesselman & Co., Inc., both of New York City. **Offering**—Expected in early June.

● Scot Lad Foods, Inc.
March 28, 1961 filed 250,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The packaging of food products for supermarkets. **Proceeds**—The net proceeds, estimated at $2,185,000, will be applied to outstanding indebtedness, with the balance to be added to working capital. **Office**—Chicago, Ill. **Underwriter**—Hayden, Stone & Co., New York City (managing). **Offering**—Expected in late May.

Seacrest Industries Corp. (5/1)
Feb. 24, 1961 (letter of notification) 40,000 shares of common stock (par one cent). **Price**—$7.50 per share. **Business**—The sale of home-freezers and refrigerator-freezer combinations, home delivery of food plans, and manufacture and sale of swimming pools. **Proceeds**—For the purchase of Westchester Foods, Inc. stock; current liabilities; building improvements; advertising, promotion and expansion and for general corporate purposes. **Office**—354 Franklin Avenue, Franklin Square, Long Island, N. Y. **Underwriters**—A. J. Gabriel Co., Inc., New York, N. Y. and Williamson Securities Corp., 92 Liberty Street, New York 6, N. Y.

Sealectro Corp.
March 24, 1961 filed 231,600 shares of common stock (par 25 cents) of which 100,000 shares are to be offered for public sale by the company and 131,600 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The production of electronic components and sub-assemblies for use in

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electronic and electrical equipment, aircraft, missile, communications and data-processing industries. **Proceeds**—For the repayment of loans; new equipment; expansion, and working capital. **Office**—139 Hoyt Street, Mamaroneck, N. Y. **Underwriter**—Bache & Co., New York City (managing). **Offering**—Expected in early May.

Search Investments Corp.
Jan. 4, 1961 filed 1,000,000 shares of common stock. **Price**—$1 per share. **Business**—A non-diversified closed-end investment company. **Proceeds**—For working capital and for investments. **Office**—1620 Rand Tower, Minneapolis, Minn. **Underwriter**—None.

Season-All Industries, Inc. (5/1)
March 8, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—Manufactures and distributes aluminum doors, windows, awnings and siding. **Proceeds**—To purchase new equipment, retire bank indebtedness and add to working capital. **Office**—Indiana, Pa. **Underwriter**—Moore, Leonard & Lynch, Pittsburgh, Pa.

Securities Credit Corp.
Jan. 27, 1961 filed $3,000,000 of 6% series A subordinated debentures. **Price**—100% of principal amount. **Business**—The company and its subsidiaries are engaged in the retail financing of new and used automobiles, mobile homes, appliances, furniture and farm equipment for purchasers, and the wholesale financing of dealers' inventories of such automobiles and direct lending to consumers, and the writing of automobile, credit life, and other types of insurance. **Proceeds**—For working capital. **Office**—1100 Bannock St., Denver, Colo. **Underwriter**—None.

● **Selas Corp. of America (4/13)**
Feb. 28, 1961 filed 170,000 shares of common stock, of which 20,000 will be offered publicly for the account of the company and 150,000, being outstanding stock, by the holders thereof. **Price**—To be filed by amendment. **Business**—The engineering, manufacture and sale of industrial gas heat processing and fluid processing equipment. **Proceeds**—The company will use the proceeds from its share of the offering for working capital. **Office**—Dresher, Pa. **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing).

Selmer (H. & A.), Inc.
March 16, 1961 filed 40,000 shares of common stock (par $2). **Price**—To be supplied by amendment. **Business**—The importation, manufacture and distribution of wind band instruments and accessories. **Proceeds**—For working capital and expansion. **Office**—1119 North Main St., Elkhart, Ind. **Underwriter**—Clark, Dodge & Co., New York City (managing). **Offering**—Expected in late April to early May.

★ **Sherman Co.**
March 29, 1961 filed 1,096 of limited partnership shares. **Price**—$5,000 per unit. **Business**—The company was formed on March 15, 1961 to acquire the Hotel Sherman in Chicago. **Proceeds**—To purchase the above property. **Office**—10 E. 40th Street, New York City. **Underwriter**—None.

Sigma Instruments, Inc. (5/1-5)
Feb. 27, 1961 filed 200,000 shares of common stock (par $1), of which 78,540 are to be offered for public sale by the company and 121,460 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business** — The company, formerly The Fisher-Pierce Co., is engaged in the development, manufacture and sale of sensitive electromagnetic relays, photoelectronic street lighting controls and other electronic control devices. **Proceeds**—To repay bank loans and for working capital. **Office** — 170 Pearl St., South, Braintree, Mass. **Underwriter**—W. C. Langley & Co., New York City (managing).

Silver Pacific Co.
March 15, 1961 (letter of notification) 200,000 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—For development of property; repayment of loans and real estate investments. **Office**—1325 Sunset Highway, Issaquah, Wash. **Underwriter** — Rowley Agency, Inc., Issaquah, Wash.

★ **Simulatics Corp.**
March 27, 1961 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Business**—The investigation of probable human behavior by use of computer technology. **Proceeds** — To repay a short-term bank loan; and for working capital and general corporate purposes. **Office**—501 Madison Avenue, New York 22, N. Y. **Underwriter**—Russell & Saxe, New York, N. Y.

Southern States Investment & Mortgage Corp.
Feb. 8, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—For advances to subsidiaries and working capital. **Office**—424 Mark Bldg., Atlanta, Ga. **Underwriter**—First Fidelity Securities Corp., Atlanta, Ga.

Southland Life Insurance Co.
March 28, 1961 filed 80,000 shares of common stock, to be offered to holders of the outstanding common on the basis of one new share for each five shares held. **Price**—To be supplied by amendment. **Proceeds**—To purchase the 55% of the outstanding common stock of Carolina Life Insurance Co. not heretofore owned by the issuer. **Office**—Dallas, Texas. **Underwriter**—Equitable Securities Corp., Nashville, Tenn. (managing).

Spartans Industries, Inc. (5/1)
March 23, 1961 filed 200,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The manufacture of apparel for men, women and children, and the operation of self-service discount department stores. **Proceeds**—For the repayment of loans and for expansion. **Office**—One W. 34th St., New York 1, N. Y. **Underwriters**—Shearson, Hammill & Co., New York City and J. C. Bradford & Co., Nashville, Tenn.

● **Spiegel, Inc. (4/12)**
March 15, 1961 filed $40,000,000 of debentures, due 1983. **Price**—To be supplied by amendment. **Business** — The issuer is engaged in the sale of merchandise by mail, principally on a monthly payment basis. **Proceeds**—For general funds to finance increasing accounts receivable. **Office**—1061 W. 35th St., Chicago 9, Ill. **Underwriter**—Wertheim & Co., New York City (managing).

Standard-American Leasing Corp.
Feb. 14, 1961 (letter of notification) 240,000 shares of common stock (par $1). **Price**—$1.25 per share. **Proceeds**—For working capital. **Office**—2855 Highland Drive, Salt Lake City, Utah. **Underwriter** — E. H. Coltharp & Co., Salt Lake City, Utah.

Standard Security Life Insurance Co. of N. Y.
March 27, 1961 filed 162,000 shares of common stock to be offered for subscription by holders of common and class A stock on the basis of two new shares for each five shares held. **Price** — To be supplied by amendment. **Business**—The writing of life, accident and health insurance. **Proceeds**—For general corporate purposes. **Office**—111 Fifth Avenue, New York City. **Underwriter**—None.

★ **Stein, Hall & Co. Inc.**
March 30, 1961 filed 250,000 outstanding shares of common stock (par $1), to be offered for public sale by the holders thereof. **Price**—To be supplied by amendment. **Business**—The company manufactures a wide variety of chemical specialty products, including specialized adhesives, synthetic resins, natural gum derivatives, food stabilizers and similar items. **Proceeds**—For the selling stockholders. **Office**—285 Madison Avenue, New York City. **Underwriter**—F. Eberstadt & Co., New York City (managing). **Offering**—Expected in mid-May.

Stephen Realty Investment Corp.
Jan. 16, 1961 filed 1,400,000 shares of beneficial interest, of which 1,000,000 shares will be publicly offered and 400,000 shares are to be exchanged for real estate ventures. **Price**—$5 per share. **Office** — 1930 Sherman St., Denver, Colo. **Underwriter** — Stephen Securities Corp., 710 American National Bank Bldg., Denver, Colo.

★ **Stocker & Yale, Inc.**
March 30, 1961 (letter of notification) 100,000 shares of no-par common stock. **Price**—$3 per share. **Business**—Manufacturers of precision dimensional measuring devices and developers of optical and audio-visual equipment. **Proceeds**—New product development, expansion of marketing program, and working capital. **Office** — Marblehead, Mass. **Underwriter**—First Weber Securities Corp., 79 Wall Street, New York City. **Offering**—Expected some time in May.

Stone Mountain Scenic Railroad, Inc.
March 20, 1961 (letter of notification) 150,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—For purchase of land and materials, right of way preparation, and working capital. **Office** — 710 Peachtree Street, N. E., Atlanta 8, Ga. **Underwriter**—First Fidelity Securities Corp., Atlanta, Ga.

Stratton Corp. (5/1)
March 3, 1961 filed $650,000 of 5% convertible subordinated debentures, due Dec. 1, 1981. **Price**—At 100% of principal amount. **Business**—The development and operation of a winter and summer recreational resort on Stratton Mountain in southern Vermont. **Proceeds**—For construction. **Office**—South Londonderry, Vt. **Underwriter**—Cooley & Co., Hartford, Conn.

● **Straus-Duparquet Inc.**
Sept. 28, 1960 filed $1,000,000 of 7% convertible subordinated debentures, due 1975. **Price**—At par. **Office**—New York City. **Underwriters**—John R. Boland & Co., New York City and Paul C. Kimball & Co. (Chicago). **Offering**—Expected in late April.

Superstition Mountain Enterprises, Inc.
Jan. 30, 1961 filed 2,000,000 shares of common stock. **Price** — $2.50 per share. **Business** — The company was formed in March, 1959 to develop real property at the foot of Superstition Mountain near Apache Junction, Ariz. It has developed part of the property to form the Apacheland Sound Stage and Western Street, architecturally designed for the 1870 period, which is used for the shooting of the motion picture and television productions. **Proceeds**—To purchase and develop additional property. **Office**—Apache Junction, Ariz. **Underwriter**—None.

★ **Survivors' Benefit Insurance Co.**
March 30, 1961 filed 50,000 shares of common stock to be offered initially to stockholders and thereafter to policyholders, employees and company representatives. **Price**—$21.70 per share. **Business** — The company is qualified to write life insurance in the state of Missouri. **Proceeds**—For expansion of the business into other states and for reserves. **Office** — 4725 Wyandotte St., Kansas City, Mo. **Underwriter**—None.

★ **Taddeo Bowling & Leasing Corp.**
March 31, 1961 filed $600,000 of 8% convertible subordinated debentures due 1971, 125,000 shares of common stock and 50,000 class A warrants to purchase common stock to be offered for public sale in units consisting of $240 of debentures, 50 common shares and 20 warrants. **Price** — $640 per unit. **Business** — The construction of bowling centers. **Proceeds**—For construction and working capital. **Office**—873 Merchants Road, Rochester, N. Y. **Underwriter** — Myron A. Lomasney & Co., New York City (managing).

● **Talley Industries, Inc. (4/17-21)**
March 15, 1961 filed $1,500,000 of convertible subordinated debentures, due May 1, 1976. **Price**—To be supplied by amendment. **Business** — A holding company whose subsidiaries produce ballistic devices, solid propellants, electronic test systems and microwave components. **Office**—4551 E. McKellips Rd., Mesa, Ariz. **Underwriters**—Adams & Peck and McDonnell & Co., Inc., both of New York City.

● **Tassette, Inc. (4/24-28)**
Feb. 15, 1961 filed 200,000 shares of class A stock. **Price**—To be supplied by amendment. **Business**—The company was organized under Delaware law in 1959 to finance the exploitation and sale of "Tassette," a patented feminine hygiene aid. **Proceeds**—For advertising and promotion, market development, medical research and administrative expenses. **Office**—170 Atlantic St., Stamford, Conn. **Underwriter**—Amos Treat & Co., Inc., New York City (managing).

Tax-Exempt Public Bond Trust Fund
Jan. 16, 1961 filed $5,000,000 of interests (5,000 units). **Price**—To be computed on the basis of the trustees evaluation of the underlying public bonds, plus a stated percentage (to be supplied by amendment) and dividing the sum thereof by 5,000. **Business** — The trust was formed by John Nuveen & Co., Chicago, Ill., to invest in tax-exempt obligations of states, counties, municipalities and territories of the United States. **Sponsor** — John Nuveen & Co., 135 South La Salle Street, Chicago, Ill.

Tax-Exempt Public Bond Trust Fund, Series 2
Feb. 23, 1961 filed $10,000,000 (10,000 units) ownership certificates. **Price**—To be filed by amendment. **Business**—The fund will invest in interest bearing obligations of states, counties, municipalities and territories of the U. S., and political subdivisions thereof which are believed to be exempted from Federal income taxes. **Proceeds** — For investment. **Office** — 135 South La Salle Street, Chicago, Ill. **Sponsor**—John Nuveen & Co., Chicago, Ill.

Tele-Film Electronics Engineering Corp.
March 10, 1961 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For repayment of loans; product development; expansion; and working capital. **Office**—818-17th St., Suite 610, Denver 2, Colo. **Underwriter**—Amos C. Sudler & Co., Denver, Colo.

● **Tele-Graphic Electronics Corp.**
Dec. 16, 1960 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Business**—Patent holding, development, and manufacture of its patentable products in the fields of air conditioning, air pollution control, electronics and plastics. **Proceeds**—For general corporate purposes. **Office**—514 Hempstead Ave., West Hempstead, N. Y. **Underwriter** — Lee Hollingsworth, 514 Hempstead Ave., West Hempstead, N. Y. **Note**—This statement is to be withdrawn.

Telephone Employees Insurance Co.
March 22, 1961 filed 43,117 shares of capital stock to be offered for subscription by stockholders on the basis of two new shares for each three shares held. **Price**—$27.50 per share. **Business**—The company writes automobile casualty insurance, principally to employees of telephone companies who are considered preferred risks. **Office**—Pedwood and Light Sts., Baltimore, Md. **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing).

★ **Templeton, Damroth Corp.**
March 30, 1961 filed $1,500,000 of 5½% convertible debentures, due 1969, with 120,000 shares of class A common stock (non-voting) and 12,000 shares of class B common (voting) stock, into which the debentures are convertible. Of the $1,500,000 of debentures, $1,260,000 are presently outstanding. **Price**—100% of the principal amount. **Business**—The management and distributtion of shares of four investment companies, and also private investment counselling. **Proceeds**—To increase the sales efforts of subsidiaries, to establish a new finance company, and for general corporate purposes. **Office**—630 Third Avenue, New York City. **Underwriter**—Hecker & Co., Philadelphia.

Terry Industries, Inc.
Feb. 28, 1961 filed 1,728,337 shares of common stock of which 557,333 shares are to be offered for the account of the issuing company and 1,171,004 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—For the company's shares, to be related to A.S.E. prices at time of the offering. For the stockholders' shares, the price will be supplied by amendment. **Business** — The company, formerly Sentry Corp., is primarily a general contractor for heavy construction projects. **Proceeds**—The proceeds of the first 12,000 shares will go to Netherlands Trading Co. The balance of the proceeds will be used to pay past due legal and accounting bills, to reduce current indebtedness, and for working capital. **Office**—11-11 34th Ave., Long Island City, L. I., N. Y. **Underwriter** — (For the company's shares only) Greenfield & Co., Inc., New York City.

Terryphone Corp.
Feb. 24, 1961 filed 200,000 shares of common stock (par 5 cents), of which 80,000 are to be offered for public sale by the company and 120,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business** — The company manufactures, leases, sells and services a line of internal communications systems for use in business and industry. **Proceeds**—For working capital and expansion. **Office**—4409 Carlisle Pike, Camp Hill, Pa. **Underwriters**—Stroud & Co., Philadelphia, Pa., and Warren W. York & Co., Allentown, Pa. (managing). **Offering**—Expected in late April.

● **Thrift Courts of America, Inc. (4/24-28)**
Feb. 28, 1961 filed $800,000 of 10-year 8% convertible subordinated debentures, 100,000 shares of common stock and 50,000 warrants to purchase a like number of common shares, to be offered in units of $400 of debentures, 50 common shares, and 25 warrants. **Price** — $800 per

unit. **Business** — The manufacture and sale of mobile homes, and the pre-construction of motel units. **Proceeds** —To repay bank loans, provide funds for the issuer's subsidiary, and add to working capital. **Office** — 1630 West Bristol St., Elkhart, Ind. **Underwriter** — Myron A. Lomasney & Co., New York City (managing).

★ Thompson-Starrett Co., Inc.
March 29, 1961 filed 1,000 outstanding shares of $0.70 cumulative convertible preferred stock (par $10) and 1,172,243 outstanding shares of common stock to be offered for public sale by the holders thereof. **Price**—At the market. **Business**—The design, engineering and construction of an office building and research laboratory; and the assembling and distribution of radios, television sets and electric organs. **Proceeds**—For the selling stockholders. **Office** — 745 Fifth Avenue, New York City. **Underwriter**—None.

Time Finance Corp.
Dec. 30, 1960 registered $1,000,000 of 6% convertible subordinated debentures due Jan. 1, 1976 and 150,000 underlying common shares. **Price—At 100% of principal amount. The debentures will be convertible at prices ranging from $7.50 per share in January 1961 to $15 per share in January 1970. Proceeds—$96,560 to increase** volume of accounts receivable financing; **$24,145 to increase volume of direct industrial loans and dealer contracts; $24,145 to increase volume of small loans; and $700,000 for the reduction of notes payable. Office**—Salt Lake City, Utah. **Underwriter**—Whitney & Co., Salt Lake City, Utah.

★ Tourist Industry Development Corp. Ltd.
March 29, 1961 filed $2,000,000 of 7% subordinated debenture stock due 1981, convertible into class B ordinary stock. **Price**—100% of principal amount. **Business**—The company was organized in 1957 for the purpose of financing tourist enterprises in Israel. **Proceeds**—To repay advances from the State of Israel and to make loans to various enterprises such as hotels, restaurants and transport industries. **Office**—Jerusalem, Israel. **Underwriter** —None.

★ Trans World Airlines, Inc.
March 30, 1961 filed $111,235,900 of 6½% subordinated income debentures, due 1978, with warrants, to be offered for subscription by stockholders on the basis of $100 principal amount of debentures for each 6 common shares held. **Price**—To be supplied by amendment. **Proceeds** — For repayment of debt and general corporate purposes. **Office** — 380 Madison Ave., New York City. **Underwriter**—None. Hughes Tool Co., which owns voting trust certificates representing 78.23% of the company's outstanding stock, has agreed to purchase enough of the unsubscribed for debentures, if any, to provide the company with at least $100,000,000. **Offering**—Expected in late May.

Transcontinental Gas Pipe Line Corp. (4/20)
March 13, 1961 filed $35,000,000 of first mortgage pipe line bonds, due 1981. Price—To be supplied by amendment. Proceeds—For the repayment of debt and for construction. Office—3100 Travis St., Houston, Tex. Underwriters—White, Weld & Co., and Stone & Webster Securities Corp., both of New York City.

Transcontinental Investment Co.
March 15, 1961 (letter of notification) 120,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—For advances to subsidiaries. **Office**—278 S. Main Street, Salt Lake City, Utah. **Underwriter**—Continental Securities Corp., 627 Continental Bank Building, Salt Lake City, Utah.

★ Transistor Applications, Inc.
March 29, 1961 (letter of notification) 100,000 shares of no-par common stock. **Price**—$3 per share. **Business**—Manufacturers of transistorized test equipment and electronic medical equipment, and the development of advanced semi-conductor circuits and systems. **Proceeds**—For new product development, expansion of sales effort, and working capital. **Office**—103 Broad Street, Boston, Mass. **Underwriter**—First Weber Securities Corp., 79 Wall Street, New York City. **Offering**—Expected some time in May.

Tronomatic Corp. (4/17-21)
Feb. 27, 1961 (letter of notification) 65,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Manufacturers of various types of machines. **Proceeds** — For general corporate purposes. **Office** — 25 Bruckner Boulevard, Bronx, N. Y. **Underwriter**—Plymouth Securities Corp., New York, N. Y.

United International Fund Ltd. (4/12)
Oct. 20, 1960 filed 1,000,000 shares of common stock (par one Bermuda pound). **Price**—$12.50 per share. **Business** —This is a new open-end mutual fund. **Proceeds**—For investment. **Office**—Bank of Bermuda Bldg., Hamilton, Bermuda. **Underwriters**—Kidder, Peabody & Co., Bache & Co., and Francis I. du Pont & Co., all of New York City (managing).

United States Freight Co. (4/24)
March 15, 1961 filed $15,393,900 of convertible subordinated debentures, due April 1, 1981 to be offered for subscription by holders of its outstanding capital stock on the basis of $100 principal amount of debentures for each seven shares held. **Price**—To be supplied by amendment. **Business**—Furnishes freight transportation services. **Proceeds** — For new equipment, expansion and working capital. **Office**—711 Third Ave., New York City. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc. (managing).

U. S. Mfg. & Galvanizing Corp. (4/17-21)
Jan. 3, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — To reduce current liabilities, sales promotion, purchase inventory, and for working capital. **Office**— 5165 E. 11th Avenue, Hialeah, Fla. **Underwriter**—Armstrong Corp., 15 William St., New York, N. Y.

★ U. S. Realty Investment Trust
March 30, 1961 filed 386,975 shares of beneficial interest in the Trust. **Price**—$10 per share. **Business**—The ownership of diversified real estate properties. **Proceeds**—For investment. **Office**—720 Euclid Ave., Cleveland, O. **Underwriter** — Hornblower & Weeks, New York City (managing). **Offering**—Expected in late May.

United States Steel Corp. (4/19)
March 28, 1961 filed $300,000,000 of sinking fund debentures, due 1986. **Proceeds**—For working capital and construction. **Offices**—71 Broadway, New York City, 51 Newark St., Hoboken, N. J., and 525 William Penn Place, Pittsburgh 30, Pa. **Underwriter**—Morgan Stanley & Co., New York City (managing).

Universal Container Corp.
Feb. 28, 1961 filed $1,000,000 of convertible subordinated debentures, due 1971. **Price** — To be supplied by amendment. **Business** — Converting and reconditioning wooden barrels and steel drums. **Proceeds** — To retire bank indebtedenss, with the balance for working capital and general corporate purposes. **Office**—8318 Grade Land, Louisville, Ky. **Underwriter**—Michael G. Kletz & Co., New York City (managing).

Universal Manufacturing Co.
Feb. 23, 1961 (letter of notification) 135,000 shares of common stock (par 10 cents) of which 35,000 shares are to be offered for the account of the company and 100,000 outstanding shares, stock, by the selling stockholders. **Price** — $2 per share. **Proceeds** — For working capital. **Office**—516 W. 4th Street, Winona, Minn. **Underwriter**—Naftalin & Co., Inc., Minneapolis, Minn.

Vector Engineering, Inc.
March 3, 1961 (letter of notification) 50,000 shares of common stock (par 10 cents). **Price**—$6 per share. **Business** — Provides engineering and design services. **Proceeds** — For general corporate purposes. **Office** — 155 Washington Street, Newark, N. J. **Underwriter**—Omega Securities Corp., New York, N. Y. **Offering**—Expected in May.

★ Versapak Film & Packaging Machinery Corp.
March 30, 1961 filed 150,000 shares of common stock and 150,000 five-year warrants, to be offered for public sale in units of one share of stock and one warrant. **Price**—$3.125 per unit. **Business**—The design, development and sale of versatile automatic equipment for packaging items in special heat-shrinkable film. **Proceeds**—To repay loans, for additional equipment and inventory; and for working capital. **Office**—928 Broadway, New York City. **Underwriters**—Hill, Thompson & Co. (managing); Hampstead Investing Corp., and Globus, Inc., all of New York City.

● Victoreen Instrument Co. (5/1-5)
March 16, 1961 filed 350,000 shares of common stock (par $1). **Price**—To be related to the current market price of outstanding shares at the time of offering. **Business**—The development and manufacture of various electronic and nuclear instruments and devices. **Proceeds** — For new equipment, inventories, modernization of existing properties and expansion. **Office**—5806 Hough Avenue, Cleveland, Ohio. **Underwriter**—Van Alstyne, Noel & Co., New York City (managing).

Visual Dynamics Corp.
Jan. 12, 1961 (letter of notification) 100,000 shares of common stock (par five cents). **Price**—$3 per share. **Business**—Manufacturers of an audio-visual device for educational and entertainment purposes. **Proceeds**—For general corporate purposes. **Office**—42 S. 15th Street, Suite 204, Philadelphia, Pa. **Underwriter**—Best & Garey Co., Inc., 2520 L St., N. W., Washington, D. C.

● Vitamix Pharmaceutical, Inc. (4/17-21)
March 3, 1961 filed 100,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—The issuer compounds, makes, packages and sells ethical and proprietary drugs and vitamins throughout the country. **Proceeds**—For working capital. **Office**—50 51 Lancaster Ave., Philadelphia, Pa. **Underwriter**—Bache & Co., New York City (managing).

● Waldorf Auto Leasing, Inc.
March 23, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The rental of automobiles. **Proceeds**—For purchase of automobiles, advertising and sales promotion, and working capital. **Office**—1712 E. 9th Street, Brooklyn 23, N. Y. **Underwriters**—Martinelli & Co., Inc.; First Atlantic Securities Co. and V. K. Osborne & Sons, Inc., all of New York City. **Offering**—Expected in late May.

★ Waltham Watch Co.
March 9, 1961 refiled 100,000 shares of common stock (par $2.50) and $600,000 of 16-year convertible bonds (convertible into common at $6 per share), to be sold initially to stockholders in units of 25 shares of stock and $150 of debentures. **Price**—For the stock: about $8 per share; for the debentures: at par. **Business** — The importing, assembling, manufacturing and selling of watches and jewelry. **Proceeds** — For working capital. **Office**—231 South Jefferson St., Chicago, Ill. **Underwriter**—P. J. Gruber & Co., Inc., New York City (managing). **Offering**—Expected in late April to early May.

● Warner Brothers Co.
March 29, 1961 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of women's foundation garments, men's and women's shirts, sleepwear and paperboard packaging. **Proceeds**—To repay loans incurred for recent acquisitions. **Office**—325 Lafayette St., Bridgeport, Conn. **Underwriter**—Lehman Brothers, New York City (managing). **Offering**—Expected in mid-May.

★ Washington Gas Light Co. (5/3)
March 29, 1961 filed $15,000,000 of refunding mortgage bonds, due 1986. **Proceeds**—To repay debt and for construction. **Office**—1100 H Street, N. W., Washington 5, D. C. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; First Boston Corp.; Eastman Dillon, Union Securities & Co.; Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc., and Stone & Webster Securities Corp. (jointly). **Bids**—To be received in room 1106, 1100 H Street, N. W., Washington, D. C., on May 3 at 11 a.m. (DST).

★ Washington Natural Gas Co. (5/1-22)
March 30, 1961 filed 118,384 shares of common stock and warrants to purchase 3,500 shares. The company plans to offer 114,884 shares for subscription by common stockholders on the basis of one new share for each 10 shares held of record May 1, with rights to expire May 22. **Price**—To be supplied by amendment. **Business**—The distribution of natural gas at retail in the Puget Sound area of Washington state. **Proceeds**—For the repayment of bank loans and for construction. **Office**—1507 Fourth Avenue, Seattle, Wash. **Underwriters**—Dean Witter & Co., San Francisco; Blyth & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc., both of New York City.

★ Washington Real Estate Investment Trust
March 31, 1961 filed 600,000 shares of beneficial interest in the Trust. **Price**—$5 per share. **Business**—For investment in income producing real estate in the metropolitan Washington, D. C. area. **Proceeds**—For investment. **Office**—919 18th St., N. W., Washington, D. C. **Underwriters**—Ferris & Co., Washington, D. C. (managing).

Wayne-George Corp. (5/15-19)
March 22, 1961 filed 80,000 shares of common stock (no par), of which 60,000 shares are to be offered for public sale by the company and 20,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The design, development and manufacture of digital transducers. **Proceeds**—For repayment of debt, new equipment, research and development, and working capital. **Office**—588 Commonwealth Ave., Boston, Mass. **Underwriter**—Hayden, Stone & Co., New York City.

Webster Publishing Co., Inc.
March 13, 1961 filed 131,960 shares of common stock, of which 80,000 shares are to be offered for public sale by the company and 51,960 outstanding shares by the present holders thereof. Price—To be supplied by amendment. Business—Publishes textbooks for elementary and high school students. Proceeds — To develop program materials designed for use in teaching machines and in other formats, and for working capital. Office—1154 Reco Ave., St. Louis, Mo. Underwriter—Newhard, Cook & Co., St. Louis (managing).

Welch Scientific Co.
March 20, 1961 filed 545,000 shares of common stock (par $1), of which 176,000 are to be offered for public sale by the company and 369,000 outstanding shares by the present holders thereof. Price—To be supplied by amendment. Business — The manufacture and sale of scientific instruments, laboratory apparatus and supplies. Proceeds — For working capital. **Office** — 1515 North Sedgwick Street, Chicago, Ill. **Underwriter**—Hornblower & Weeks, New York City (managing). **Offering**—Expected in mid-May.

Western Growth Corp.
March 17, 1961 filed 202,107 shares of class A common stock (par 10 cents), of which 150,000 shares are to be offered for public sale by the company in units of 10 shares each; and 52,107 outstanding shares by selling stockholders after trading commences. **Price**—For the company's stock: $100 per unit. For the selling stockholder: At-the-Market. **Business**—The development of property in California for single-family homes, the investment in notes or contracts secured by single-family homes, and other phases of the real estate business. **Proceeds**—For ordinary expenses, repayment of loans and working capital. **Office**—636 North La Brea Ave., Los Angeles, Calif. **Underwriter**—Reese, Scheftel & Co., Inc., New York City. **Offering**—Expected in late May.

★ Western Land Trust Fund
March 30, 1961 filed 200,000 shares of beneficial interest in the Fund. **Price** — $10 per share. **Business** — A closed-end real estate investment trust. **Proceeds**—For investment. **Office**—Oakland, Calif. **Underwriter**—To be named.

Western Reserve Life Assurance Co. of Ohio
March 1, 1961 filed 120,000 shares of common stock to be offered for subscription by stockholders on the basis of three new shares for each five shares held. Stockholders are to vote at the annual meeting in April on increasing the authorized stock to provide for the offering. **Business**—The company issues and sells life insurance policies in the State of Ohio. **Proceeds**—For expansion. **Office**—1 Union Commerce Annex, Cleveland 14, Ohio. **Underwriters** — McDonald & Co. and Ball, Burge & Kraus, Cleveland.

● White Shield Corp. (4/17-21)
Feb. 23, 1961 filed 50,000 shares of common stock (par 10 cents). **Price**—To be supplied by amendment. **Business**—The sale of health and beauty aids, vitamins and drug sundries to retail stores and wholesale jobbers. **Proceeds**—For working capital. **Office** — 317 East 34th St., New York City. **Underwriter**—Adams & Peck, New York City.

Willer Color Television System, Inc.
Jan. 29, 1961 (letter of notification) 80,890 shares of comman stock (par $1). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—151 Odell Avenue, Yonkers, N. Y. **Underwriter**—Equity Securities Co., 39 Broadway, New York City. **Offering**—Indefinite.

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Williamhouse, Inc.
March 27, 1961 filed 106,000 shares of common stock. **Price** — $6 per share. **Business** — The manufacture and sale of paper products including envelopes, announcements and advertising materials. **Proceeds**—To repay debt and for working capital. **Office**—185 Kent Avenue, Brooklyn, N. Y. **Underwriter**—Robert L. Ferman & Co., Miami, Fla.

Wilshire Insurance Co.
Feb. 17, 1961 filed 313,000 shares of common stock, of which 187,000 will be offered for subscription to stockholders on a share for share basis and the remaining 126,000 shares, together with any of the 187,000 shares not purchased by stockholders, to be offered publicly. **Price**—$5 per share to stockholders and $5.50 per share to the public. **Business**—The writing of workmen's compensation, common carrier liability and automobile (physical damage) insurance. **Proceeds** — To increase capital funds to provide for the writing of additional policies in all lines of its business and to expand its coverage into other classes of insurance. **Office**—5413 West Washington Boulevard, Los Angeles, Calif. **Underwriter** —None.

● **Winston-Muss Corp. (4/10-14)**
Jan. 30, 1961 filed $9,000,000 of convertible subordinated debentures due 1981 and 400,000 shares of common stock to be offered for public sale in units consisting of $22.50 principal amount of debentures and one share of common stock. **Price**—To be supplied by amendment. **Business**—The company was organized under Delaware law in January 1961 to engage in the conception, planning and execution of large scale property development and construction projects throughout the U. S. **Proceeds**—For the acquisition and development of real estate properties. **Office**—22 West 48th St., New York City. **Underwriter**—Lee Higginson Corp., New York City (managing).

Wolf Corp. (4/17-21)
Feb. 15, 1961 filed 30,000 shares of class A stock. **Price** —$10 per share. **Business**—The company was organized under Delaware law in January 1961 and proposes to engage in the construction, investment and operation of real estate properties. **Proceeds**—For investment and working capital. **Office** — 10 East 40th St., New York City. **Underwriter**—None.

Wonderbowl, Inc.
Feb. 6, 1961 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds** —To discharge a contract payable, accounts payable, and notes payable and the balance for working capital. **Office** —7805 Sunset Blvd., Los Angeles, Calif. **Underwriter**— Standard Securities Corp., Los Angeles, Calif.

★ **Work Wear Corp.**
March 31, 1961 filed 320,604 shares of common stock (par $1), of which 141,925 shares are to be offered for public sale by the company and 168,679 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The manufacture and sale of work clothing, and industrial laundering and garment rental. **Proceeds**—For the repayment of debt and working capital. **Office**—1768 East 25th St., Cleveland, O. **Underwriter** — Hornblower & Weeks, New York City (managing). **Offering**—Expected in late May.

★ **Wrather Corp.**
March 29, 1961 filed 350,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Business**— The company manufactures and sells Stephens power and sail boats, and various marine and sporting goods manufactured by others. It also plans to acquire the stock of Muzak Corp., Wrather Hotels, Inc., Wrather Realty Corp., Stephens Marine, Inc., and various television film properties. **Proceeds** — For construction, repayment of debt and working capital. **Office** — 270 North Canon Drive., Beverly Hills, Calif. **Underwriter**—Lee Higginson Corp., New York City (managing). **Offering**—Expected in early June.

Prospective Offerings

A. T. U. Productions, Inc.
March 15, 1961, it was reported that this company plans a "Reg. A" filing covering 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To finance production of TV films. **Office** — 130 W. 57th Street, New York City. **Underwriter**—Marshall Co., 40 Exchange Place, New York City. **Registration**—Expected in May.

Alamo Gas Supply Co.
Jan. 24, 1961 it was reported that this company is negotiating for the sale of about $18,000,000 to $20,000,000 of bonds. **Proceeds**—For expansion of facilities. **Office**— San Antonio, Tex. **Underwriters** — White, Weld & Co., New York City and Underwood, Neuhaus & Co., Inc., Houston, Tex.

Alberta Gas Trunk Line Co., Ltd.
Sept. 1, 1960 A. G. Bailey, President, announced that new financing of approximately $65,000,000 mostly in the form of first mortgage bonds, is expected early in 1961. **Office**—502-2nd St., S. W., Calgary, Alberta, Canada.

American Playlands Corp.
Dec. 21, 1960 it was reported that this company plans to refile a registration statement covering 300,000 shares of common stock. This will be a full filing. **Business**— The company intends to operate an amusement and recreation park on 196 acres of land near Liberty, N. Y. **Proceeds**—For development of the land. **Office**—55 South Main St., Liberty, N. Y. **Underwriter**— M. W. Janis & Co., Inc., New York City.

American Telephone & Telegraph Co. (6/6)
March 15, 1961, the company announced plans to issue $250,000,000 of debenture bonds. **Proceeds**—For refunding a like amount of 5⅜% debentures due Nov. 1, 1986, on or about July 10. **Office**—195 Broadway, New York 7, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Morgan Stanley & Co.; Halsey, Stuart & Co.; First Boston Corp. **Bids**—To be received at the office of the company on June 6.

Appalachian Power Co.
Feb. 1, 1961 it was reported that this subsidiary of American Electric Power Co., Inc., plans to sell $35,000,000 to $40,000,000 of bonds late in 1961 or early in 1962. **Office**—2 Broadway, New York City. **Underwriters** —To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp.; Harriman Ripley & Co., Inc.; Kuhn, Loeb & Co. and Eastman Dillon, Union Securities & Co. (jointly).

Approved Finance Inc.
Nov. 11, 1960 it was reported by Paul O. Sebastian, Vice-President-Treasurer, that the company is considering a rights offering to stockholders of additional common stock via a Regulation "A" filing, possibly to occur in mid-1961. **Office**—39 E. Chestnut St., Columbus, Ohio **Underwriter**—Vercoe & Co., Columbus, Ohio.

Arizona Public Service Co.
Feb. 8, 1961 it was reported that this company plans to issue about $38,000,000 of bonds in May and some preferred or common stocks in the fourth quarter. The company expects to spend about $320,000,000 on construction in the period 1961 to 1965 of which some $250,000,000 will come from outside sources. **Office**—501 South Third Ave., Phoenix, Ariz. **Underwriters**—To be determined. The last sale of bonds was made privately on March 26, 1959 through Blyth & Co., Inc., and The First Boston Corp. The last sale of preferred stock on June 18, 1958 and the last sale of common (to stockholders on May 24, 1959) was also handled by Blyth & Co and The First Boston Corp.

Baltimore Gas & Electric Co.
Feb. 21, 1961, F. E. Rugemer, Treasurer, stated that the company is considering the issuance of $15,000,000 to $20,000,000 of non-convertible debentures or preferred stock in the second quarter of 1961 and about $20,000,000 of bonds in late 1961 or early 1962. **Office**—Lexington and Liberty Streets, Baltimore 3, Md. **Underwriters** — (Bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and First Boston Corp. (jointly); Harriman Ripley & Co., Inc. and Alex. Brown & Sons (jointly). The last sale of debentures was made to stockholders on May 8, 1959 through subscription rights and was underwritten by First Boston Corp., and associates. The last sale of preferred stock on Aug. 13, 1940 was handled by White, Weld & Co., and associates.

Bell Telephone Co. of Pennsylvania (5/2)
Feb. 23, 1961 it was reported that this subsidiary of American Telephone & Telegraph Co., plans to sell $50,000,000 of debentures. **Proceeds**—To refund $30,000,000 of 5⅜% debentures due 1994 on or about June 2, and for construction. **Office**—1835 Arch St., Philadelphia 3, Pa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; White, Weld & Co., and Eastman Dillon, Union Securities & Co. (jointly); Morgan Stanley & Co. **Bids**—Expected to be received on or about May 2, 1961.

Brooklyn Union Gas Co. (6/8)
March 3, 1961 it was reported that this company plans to sell about $20,000,000 of mortgage bonds. **Office**—176 Remsen St., Brooklyn 1, N. Y. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp., and Harriman Ripley & Co., Inc. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; White, Weld & Co.; Blyth & Co., Inc., and F. S. Moseley & Co. (jointly). **Bids**—To be received on June 8.

Caldor, Inc.
March 15, 1961 it was reported that a full filing will be made soon covering an undisclosed number of common shares. **Price**—$5 per share. **Business**—Operates a chain of discount stores in Northern Westchester and Connecticut. **Office**—Riverside, Conn. **Underwriter**—Ira Haupt & Co., New York City (managing).

California Electric Power Co.
Jan. 18, 1961 it was reported that this company's plans to offer $8,000,000 of bonds will be governed more by the conditions of the money market than by the company's early need for long-term financing. With its 1961 construction program tentatively scheduled at $20,000,000, the company can wait at least until fall before it needs financing. **Proceeds** — For construction. **Office**— 2885 Foothill Boulevard, San Bernardino, Calif. **Underwriters**—To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co.; Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.

Canandaigua Enterprises, Inc.
Finger Lakes Racing Association, Inc.
March 22, 1961 it was reported that this company plans to sell publicly about 40,000 units, each unit to consist of one debenture, six common shares and three warrants. **Underwriter**—S. D. Fuller & Co., New York City (managing). **Registration**—Expected in mid-April.

Carbonic Equipment Corp.
Dec. 8, 1960 it was reported that a full filing of about $300,000 of units, consisting of common stock, bonds and warrants will be made. **Proceeds**—For expansion of the business. **Office**—97-02 Jamaica Ave., Woodhaven, N. Y. **Underwriter**—R. F. Dowd & Co., Inc.

Car Plan System, Inc.
Feb. 1, 1961 it was reported that this company plans to file a "Reg. A" covering 100,000 shares of common stock (par 10 cents). **Price** — $3 per share. **Business**—Automobile leasing. **Proceeds**—For expansion. **Office**—540 N. W. 79th St., Miami, Fla. **Underwriter**—R. F. Dowd & Co., Inc., New York City.

Casavan Industries
March 29, 1961 it was reported that this company plans to file a registration soon covering 415,000 shares of common stock. **Business**—The company makes polystyrene and polyurethane for insulation, and processes marble for construction. **Proceeds**—For expansion. **Office**—250 Vreeland Ave., Paterson, N. J. **Underwriter**— Amos Treat & Co., New York City.

Caxton House Corp.
Jan. 24, 1960 it was reported that a full filing of this company's stock, constituting its first public offering, will be made. **Price**—Approximately $3 per share. **Business**—Book publishing. **Office**—9 Rockefeller Plaza, New York City. **Underwriter**—To be named.

Central Hudson Gas & Electric Co.
March 14, 1961 it was reported that the company plans to sell $6,000,000 of preferred stock possibly in the second quarter. **Proceeds** — For expansion. **Office** — South Road, Poughkeepsie, N. Y. **Underwriter**—To be named. The last public sale of preferred in April 1949 was made through Kidder, Peabody & Co., and Estabrook & Co. (jointly).

Central Louisiana Electric Co., Inc.
Feb. 21, 1961 it was reported that the company is considering the issuance of $6,000,000 of bonds or debentures in the latter part of 1961. **Office** — 415 Main St., Pineville, La. **Underwriters**—To be named. The last issue of bonds on April 21, 1959 was bid on by Kidder, Peabody & Co. and Rauscher, Pierce & Co., Inc. (jointly); Salomon Bros. & Hutzler, and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Halsey, Stuart & Co., Inc.; White, Weld & Co.

★ **Chicago, Burlington & Quincy RR. (5/4)**
April 4, 1961 it was reported that this road plans to sell $4,800,000 of equipment trust certificates. **Offices**—547 W. Jackson Blvd., Chicago, Ill., and 39 Broadway, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Salomon Bros. & Hutzler and Halsey, Stuart & Co. Inc. **Bids**—To be received on or about May 4.

Columbia Gas System, Inc. (6/1)
March 8, 1961 it was reported that this company plans to sell $30,000,000 of debentures in June and is considering the sale of either $20,000,000 of debentures or $25,000,000 of common stock in the fall. **Office** — 120 East 41st Street, New York 17, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc., and White, Weld & Co. (jointly). **Bids**—To be received at the company's office on June 1.

Columbus & Southern Ohio Electric Co.
March 13, 1961 it was reported the company will sell about $10,000,000 additional common stock in late 1961. **Proceeds**—For expansion purposes. **Office**—215 N. Front St., Columbus 15, Ohio. **Underwriter**—Dillon, Read & Co

Commonwealth Edison Co.
Jan. 10, 1961 it was reported that this company plans to sell $30,000,000 of bonds in the second quarter of 1961. **Office**—72 W. Adams Street, Chicago, Ill. **Underwriters** —To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Kidder, Peabody & Co.; White, Weld & Co.; Blyth & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith, Inc.

Commonwealth International & General Fund (4/11)
March 14, 1961, it was reported that this Fund plans to make its first public offering on April 11. **Price**—$12.50 per share. **Business**—A new mutual fund which will invest primarily in the common stocks of foreign companies and in American firms which do a substantial foreign business. **Proceeds**—For investment. **Office**—615 Russ Building, San Francisco, Calif. **Underwriter**— North American Securities Co., San Francisco.

● **Community Public Service Co. (6/7)**
Feb. 6, 1961 it was reported that this company plans to sell $5,000,000 of first mortgage bonds. **Office**—408 W. 7th Street, Fort Worth 2, Texas. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Paine, Webber, Jackson & Curtis; First Southwest Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Bids**—To be received on June 7. **Information Meeting** — Scheduled for June 5 in the forenoon at 90 Broad St., New York City.

Consolidated Cigar Corp.
March 24, 1961 the company announced plans to offer approximately 173,000 additional common shares for subscription by stockholders on the basis of one new share for each eight shares held. **Business**—The manufacture and sale of cigars. **Proceeds**—For expansion and working capital. **Office**—529 Fifth Avenue, New York 17, N. Y. **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing).

Consolidated Edison Co. of New York, Inc. (6/20)
March 22, 1961 it was reported that this company plans to sell $50,000,000 of 30-year first mortgage bonds. **Office**—4 Irving Place, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Morgan Stanley & Co. **Bids**—To be received at the company's office on June 20 at 11 a.m. **Information Meeting**—Scheduled for June 13 at 10 a.m.

• **Consolidated Natural Gas Co. (5/24)**
April 4, 1961 it was reported that this company plans to sell $40,000,000 of 25-year debentures. **Business**—A holding company for six operating concerns engaged in the natural gas business. **Proceeds**—For construction. **Office**—30 Rockefeller Plaza, New York 20, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co., and First Boston Corp. (jointly); White, Weld & Co., and Paine, Webber, Jackson & Curtis (jointly). **Bids**—To be received on May 24 at 11:30 a.m. (DST). **Information Meeting**—Scheduled for May 19 at 10:30 a.m. (DST) in the Bankers Club, 120 Broadway, New York City.

Consumers Power Co.
Feb. 15, 1961 it was reported that this company may sell $20,000,000 of preferred and $30,000,000 of bonds about mid-year. **Office**—212 West Michigan Ave., Jackson, Mich. **Underwriter**—(Bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and Shields & Co. (jointly); Harriman Ripley & Co., and First Boston Corp. (jointly); Morgan Stanley & Co. The last sale of preferred stock, on July 21, 1955, was handled by Morgan Stanley & Co.

Continental Vending Machine Corp.
Feb. 21, 1961 it was reported that the company is negotiating for the sale of $5,000,000 of convertible debentures. On March 8, the company's name was changed from Continental Industries, Inc. **Business**—The company manufactures and operates automatic vending machines dispensing cigarettes, coffee, cold drinks and food. **Office**—958 Brush Hollow Road, Westbury, L. I., N. Y. **Underwriter**—It was stated that exploratory discussions have been held with Shields & Co., New York City.

Dallas Power & Light Co.
Sept. 14, 1960 it was stated by the company's president that there may possibly be some new financing during 1961, with no indication as to type and amount. Office—1506 Commerce Street, Dallas, Texas. Underwriter—To be determined by competitive bidding. Probable bidders: To be named.

Delaware Power & Light Co.
Feb. 7, 1961 it was reported that the company has postponed until early 1962 its plan to issue additional common stock. The offering would be made to common stockholders first on the basis of one share for each 10 shares held. Based on the number of shares outstanding on Sept. 30, 1960, the sale would involve about 418,536 shares valued at about $14,600,000. The last offering of common to stockholders in June, 1956, consisted of 232,520 shares offered at $35 a share to holders of record June 6, on the basis of one share for each eight shares held. Proceeds—For construction. **Office**—600 Market Street, Wilmington, Del. **Underwriter**—To be determined by competitive bidding. Probable bidders: Carl M. Loeb, Rhoades & Co., New York; W. C. Langley & Co., and Union Securities Co. (jointly); Lehman Brothers; First Boston Corp.; White, Weld & Co., and Shields & Co. (jointly); Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

Di Giorgio Fruit Corp.
March 20, 1961, the company reported that it plans to sell 275,000 additional shares of common stock. **Price**—To be supplied by amendment. **Business**—The production, harvesting and marketing of agricultural products, especially fruits. **Proceeds**—For the repayment of loans. **Office**—350 Sansome Street, San Francisco, Calif. **Underwriter**—Dean Witter & Co., San Francisco. **Registration**—Imminent.

Dynamic Center Engineering Co., Inc.
Oct. 3, 1960 it was reported that the company plans a full filing of its $1 par common stock. **Proceeds**—To promote the sale of new products, purchase new equipment, and for working capital. **Office** — Norcross, Ga. **Underwriter**—To be named.

Edo Corp.
March 21, 1961 it was reported that this company plans the issuance and sale of $2,000,000 of bonds. **Business**—The manufacturer of electronic equipment, particularly marine, airborne and underwater devices. **Proceeds**—For expansion. **Office**—1404 111 Street, College Point, N. Y. **Underwriter**—To be named.

Empire Fund, Inc.
March 8, 1961 it was reported that the Federal Internal Revenue Service had granted this fund's application for approval of a tax free exchange of shares for Corporate Securities. It is expected that a registration statement covering this "centennial-type" fund will be filed with the SEC shortly. **Office**—Pittsburgh, Pa.

Epoderm Inc.
Jan. 27, 1961 it was reported that the company plans its first public offering of 40,000 shares of common stock. **Price** — $10 per share. **Business** — The manufacture of drugs. **Proceeds**—The research and synthesis of certain hormones that may be helpful in revitalizing dormant hair growth. **Office**—New Jersey. **Underwriter**—M. H. Meyerson & Co., Ltd., 15 William St., New York City (managing).

Exploit Films, Inc.
March 8, 1961 it was reported that this company plans a full filing covering 100,000 common shares. **Price**—$5 per share. **Proceeds**—For the production of TV and motion picture films, the reduction of indebtedness, and for working capital. **Office**—619 W. 54th Street, New York City. **Underwriter**—McClane & Co., Inc., 26 Broadway, New York City (managing). **Registration**—Expected on or about April 1. **Offering**—Expected in late May.

Fawcett Publications, Inc.
Jan. 20, 1961 it was reported that this family-owned publishing business is contemplating its first public offering. **Office**—Greenwich, Conn. **Underwriter**—To be named.

First National Bank of Toms River (N. J.)
March 22, 1961 it was reported that stockholders voted on this date to increase the authorized stock to provide for payment of a 66⅔% stock dividend and sale of 20,000 new shares of common (par $5) to stockholders on the basis of one new share for each 20 shares held of record July 17, with rights to expire Aug. 17. **Price**—About $22 per share. **Proceeds**—To increase capital. **Office**—Toms River, N. J. **Underwriter**—None.

Florida Power & Light Co.
Oct. 24, 1960 it was reported that an undetermined amount of bonds may be offered in the Spring of 1961. **Office**—25 S. E. 2nd Ave., Miami, Fla. **Underwriter**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co Inc.; White, Weld & Co.; First Boston Corp.; Blyth & Co., Inc.

Gas Service Co.
March 22, 1961 it was reported that stockholders are to vote April 18 on authorizing a new issue of 150,000 shares of preferred stock (par $100). The company is considering the sale of between $5,000,000 to $7,500,000 of preferred and may issue some bonds at the same time. **Office** — 700 Scarritt Bldg., Kansas City, Mo. **Underwriters**—To be named. The company has never issued preferred stock, but the last sale of common on April 19, 1954 was handled by Kuhn, Loeb & Co., Eastman Dillon, Union Securities & Co., Reynolds & Co., and Allen & Co. The last sale of bonds on July 6, 1958 was made privately through Eastman Dillon, Union Securities & Co., New York City and Stern Brothers & Co., Kansas City, Mo. **Offering**—Expected in late 1961.

General Public Utilities Corp.
March 14, 1961 it was stated in the company's 1960 annual report that the utility expects to sell additional common stock to stockholders in 1962 through subscription rights on the basis of one share for each 20 shares held. Based on the 22,838,454 common shares outstanding on Dec. 31, 1960, the offering will involve a minimum of 1,141,922 additional shares. **Office**—67 Broad St., New York 4, N. Y. **Underwriter**—None.

General Resistance, Inc.
Sept. 19, 1960 it was reported that the company will file a letter of notification, comprising its first public offering. Office—577 East 156th Street, Bronx, N. Y.

General Telephone Co. of California
Feb. 1, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp. plans to sell about $20,000,000 of bonds in the first half of 1961. **Office**—2020 Santa Monica Blvd., Santa Monica, Calif. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp. and Equitable Securities Corp. (jointly); White, Weld & Co. and Kidder, Peabody & Co. (jointly); Paine, Webber, Jackson & Curtis, and Stone & Webster Securities Corp.

General Telephone Co. of Florida
Feb. 8, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp., expects to offer about $15,000,000 of bonds in November. **Office** — 610 Morgan St., Tampa, Fla. **Underwriters**—Stone & Webster Securities Corp., and Paine, Webber, Jackson & Curtis, both of New York City.

General Telephone & Electronics Corp.
March 28, 1961 it was reported that stockholders are to vote April 19 on authorizing the company to issue up to $100,000,000 of convertible debentures. A spokesman stated that no financing is planned at present, but that the debentures will be available if needed at some future time. **Office**—730 Third Avenue, New York 17, N. Y. **Underwriter**—To be named. The last issue of debentures on May 16, 1957 was offered for subscription by common stockholders and was underwritten by Paine, Webber, Jackson & Curtis, New York City, and associates.

Georgia Bonded Fibers, Inc.
Sept. 14, 1960 it was reported that registration of 150,000 shares of common stock is expected. **Offices**—Newark, N. J., and Buena Vista, Va. **Underwriter**—Sandkuhl and Company, Newark, N. J., and New York City.

Georgia Power Co. (10/18)
Dec. 29, 1960 this subsidiary of the Southern Co., applied to the Georgia Public Service Commission for permission to issue $15,500,000 of 30-year first mortgage bonds, and $8,000,000 of new preferred stock. **Proceeds**—For construction, plant modernization or refunding of outstanding debt. **Office**—Electric Bldg., Atlanta 3, Ga. **Underwriters** — To be determined by competitive bidding. Previous bidders for bonds included Harriman Ripley & Co., Inc.; Lehman Brothers; Blyth & Co., Inc., Kidder, Peabody & Co., and Shields & Co. (jointly); First Boston Corp.; Morgan Stanley & Co.; Halsey, Stuart & Co. Inc.; Equitable Securities Corp., Eastman Dillon, Union Securities & Co. (jointly). Previous bidders for preferred were First Boston Corp., Lehman Brothers, Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.; and Equitable Securities Corp. **Bids**—Expected to be received on Oct. 18.

• **Gluckin (Wm.) & Co., Inc.**
March 29, 1961 it was reported that this subsidiary of Essex-Universal Corp., plans to sell about 200,000 shares of common stock. **Price**—About $14 per share. **Business**—Manufactures women's foundation garments. **Office**—330 Fifth Avenue, New York City. **Underwriter** — The company is currently negotiating with an underwriter. **Offering**—Expected in July.

Gulf Power Co. (12/7)
Jan. 4, 1960 it was reported that this subsidiary of The Southern Co., plans to sell $5,000,000 of 30-year bonds. **Office**—75 North Pace Blvd., Pensacola, Fla. **Underwriter**—To be determined by competitive bidding. Previous bidders included Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Salomon Bros. & Hutzler and Drexel & Co. (jointly); Equitable Securities Corp.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Bids**—Expected to be received on Dec. 7, 1961.

★ **Hardeman (Paul), Inc.**
April 4, 1961 it was reported that this company plans to sell about 350,000 shares of common stock. **Business**—Electronics. **Office**—Los Angeles, Calif. **Underwriter**—Michael G. Kletz & Co., New York City.

Hawaiian Telephone Co.
March 8, 1961 it was reported that this company plans to sell about $5,000,000 of common stock to stockholders through subscription rights later this year. **Office**—1130 Alakea Street, Honolulu 13, Hawaii. **Underwriter**—None.

Houston Fearless Corp.
Feb. 27, 1961, Barry J. Shillito, President, stated that the company plans to expand its Western Surgical and Westlab divisions into a new national medical and hospital supply concern. He added that 80% of the new firm's stock would be retained by Houston and the remaining 20% sold to the public. **Office** — 11801 W. Olympic Blvd., Los Angeles 64, Calif.

Houston Lighting & Power Co.
Oct. 17, 1960 Mr. T. H. Wharton, President, stated that between $25-$35 million dollars is expected to be raised publicly sometime in 1961, probably in the form of preferred and debt securities, with the precise timing depending on market conditions. **Proceeds**—For construction and repayment of bank loans. **Office** — Electric Building, Houston, Texas. **Underwriter** — Previous financing was headed by Lehman Brothers, Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler.

Idaho Power Co.
Jan. 10, 1961 it was reported that this company plans to sell $10,000,000 of bonds and about $5,000,000 of common in the third quarter of 1961. **Proceeds**—To repay loans and for construction. **Underwriters**—To be determined by competitive bidding. Probable bidders on the bonds: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; Lazard Freres & Co., and First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); Salomon Bros. & Hutzler, and Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp. Probable bidders on the common: Blyth & Co., Inc.; Lazard Freres & Co.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith, Inc.

★ **Illinois Bell Telephone Co.**
March 31, 1961 it was reported that this subsidiary of A. T. & T., plans to offer stockholders in June the right to subscribe to additional common stock on the basis of one new share for each eight shares held. Based on the 33,525,217 shares outstanding on Dec. 31, 1960 this would amount to about 4,190,652 additional shares valued at approximately $84,000,000. **Office** — 212 West Washington St., Chicago 6, Ill. **Underwriter**—None.

Illinois Terminal RR.
Jan. 16, 1961 it was reported that this company plans the sale later this year of about $8,500,000 of first mortgage bonds. **Office**—710 North Twelfth Blvd., St. Louis, Mo. **Underwriter**—Halsey, Stuart & Co. Inc., Chicago.

• **Indiana & Michigan Electric Co. (5/31)**
March 29, 1961 it was reported that this company plans to sell $20,000,000 of 25-year debentures. **Proceeds**—For construction. **Offices** — 2101 Spy Run Avenue, Fort Wayne, Ind., and 2 Broadway, New York City. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Eastman Dillon, Union Securities & Co.; First Boston Corp.; Harriman Ripley & Co., Inc. **Bids**—To be received on May 31 at 11:30 a.m. (DST). **Information Meeting**—Scheduled for May 26 at 3 p.m. (DST) at American Electric Power Service Corp., 2 Broadway (11th floor) New York City.

Indianapolis Power & Light Co.
According to a prospectus filed with the SEC on Aug. 25, 1960, the company plans the sale of about $14,000,000 of additional securities in 1963. **Office** — 25 Monument Circle, Indianapolis, Ind.

Industrial Gauge & Instrument Co.
Oct. 5, 1960 it was reported that 100,000 shares of common stock will be filed. **Proceeds** — Expansion of the business, and for the manufacture of a new product by a subsidiary. **Office**—1947 Broadway, Bronx, N. Y. **Underwriter**—R. F. Dowd & Co. Inc.

Japan Telephone & Telegraph Corp.
Oct. 27, 1960 it was announced that this government-owned business plans a $20,000,000 bond issue in the United States. **Proceeds**—For expansion. **Underwriters**—Dillon, Read & Co., First Boston Corp., and Smith, Barney & Co. **Offering**—Expected in the Spring of 1961.

Kansas Power & Light Co.
March 15, 1961 it was reported that this company is considering the issuance of $10,000,000 to $15,000,000 of bonds in the third or fourth qarter of 1961. **Proceeds**—For construction. **Office**—800 Kansas Ave., Topeka, Kan.

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Underwriter—First Boston Corp., New York City (managing).

Laclede Gas Co.
Nov. 15, 1960 Mr. L. A. Horton, Treasurer, reported that the utility will need to raise $33,000,000 externally for its 1961-65 construction program, but the current feeling is that it will not be necessary to turn to long-term securities until May 1962. **Office** — 1017 Olive St., St. Louis, Mo.

Long Island Lighting Co.
Jan. 25, 1961 it was reported by Fred C. Eggerstedt, Jr., Assistant Vice-President, that the utility contemplates the issuance of $25,000,000 of 30-year first mortgage bonds probably in the second or third quarter of 1961. **Office**—250 Old Country Road, Mineola, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp., and Blyth & Co., Inc. (jointly); W. C. Langley & Co. and Smith, Barney & Co. (jointly).

Magnefax Co.
Feb. 21, 1961 it was reported that this company expects to sell 200,000 shares of common stock. **Business**—Manufactures office copying machines. **Office** — Commercial Trust Co. Bldg., Philadelphia, Pa. **Underwriter**—Stroud & Co., Philadelphia, Pa.

Marraud & Co.
March 29, 1961 it was reported that a registration will be filed shortly covering 120,000 shares of common stock. **Business** — Manufacturers cosmetics. **Office** — Boston, Mass. **Underwriter**—McDonnell & Co., New York City.

Massachusetts Electric Co. (6/27)
March 21, 1961 it was reported that the company plans to issue $17,500,000 of first mortgage bonds series F, due 1991. The company recently merged six subsidiaries of New England Electric System and changed its name to the above, from Worcester County Electric Co. **Office** —939 Southbridge Street, Worcester, Mass. **Underwriters** —To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Kidder, Peabody & Co., and Coffin & Burr, Inc. **Bids**—To be received on June 27.

Masters Inc.
Jan. 6, 1961 it was reported that this corporation is contemplating its first public financing. **Business**—The operation of a chain of discount houses. **Office**—135-21 38th Avenue, Flushing 54, L. I., N. Y.

Metropolis Bowling Centers Inc.
March 13, 1961 it was reported that this company is planning to sell 192,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**—The company has three bowling alleys in operation in New York City. **Proceeds** — To maintain present properties and acquire other bowling centers. **Office**—72 Park Row, New York City. **Underwriters**—Thomas, Williams & Lee, Inc., and Russell & Saxe, Inc., New York City (managing). **Registration**—Imminent. **Offering**—Expected in late April.

Metropolitan Edison Co.
Feb. 1, 1961 it was reported that this subsidiary of General Public Utilities Corp., plans to sell about $10,000,000 of first mortgage bonds and $5,000,000 of debentures in August or September. **Office** — 2800 Pottsville Pike, Muhlenberg Township, Berks County, Pa. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Kidder, Peabody & Co. and Drexel & Co. (jointly); Blyth & Co., Inc.

Michigan Consolidated Gas Co. (5/23)
March 24, 1961 it was reported that this company plans to sell $30,000,000 of 25-year first mortgage bonds. **Proceeds**—To repay notes and for construction. **Office**—415 Clifford St., Detroit 26, Mich. **Underwriter** — To be determined by competitive bidding. Probable bidders: White, Weld & Co.; Lehman Brothers; and Halsey, Stuart & Co. Inc. **Bids**—To be received in Detroit on May 23 at 10:30 a.m. (DST).

Michigan Wisconsin Pipe Line Co. (6/14)
March 24, 1961 it was reported that this subsidiary of American Natural Gas Co., plans to sell about $30,000,000 of bonds in the first half of 1961. **Proceeds** — For construction. **Office** — 500 Griswold Street, Detroit 26, Mich. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co., Inc. **Bids**—To be received in suite 4950, 30 Rockefeller Plaza, New York City, on June 14 at 11 a.m. (DST).

Missouri Pacific RR (4/18)
March 28, 1961 it was reported that this company plans to sell $6,000,000 of 1-15 year equipment trust certificates. **Office**—Missouri Pacific Building, St. Louis 3, Mo. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., and Salomon Brothers & Hutzler. **Bids**—Expected in St. Louis on April 18.

Mississippi Power Co. (9/28)
Jan. 4, 1961 it was reported that this subsidiary of The Southern Co., plans to sell publicly $5,000,000 of 30-year bonds and $5,000,000 of preferred stock (par $100). **Proceeds**—For construction and expansion. **Office**—2500 14th St., Gulfport, Miss. **Underwriter**—To be determined by competitive bidding. Previous bidders for bonds were Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. Previous bidders for preferred stock included Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly). **Bids**—Expected to be received on Sept. 28.

Mississippi River Transmission Corp.
Feb. 27, 1961, it was reported that this subsidiary of Mississippi River Fuel Corp., plans to sell about $6,500,000 of debentures or bonds in late 1961. **Proceeds**—For the repayment of bank debt. **Office**—9900 Clayton Road, St. Louis, Mo. **Underwriter**—To be named. The last issue of debentures by Mississippi River Fuel Corp., parent, in March 1958 was underwritten by Eastman Dillon, Union Securities & Co., and associates.

Monticello Lumber & Mfg. Co.
Jan. 3, 1961 it was reported that this company plans a "Reg. A" filing covering 75,000 shares of common stock. **Price**—$4 per share. **Proceeds**—For equipment, plant expansion and working capital. **Office**—Monticello, N. Y. **Underwriter**—J. Laurence & Co., Inc., 117 Liberty St., New York City.

★ National Airlines, Inc.
April 3, 1961, G. T. Baker, President, stated that the company plans to sell publicly 400,000 shares of Pan American World Airways, Inc., subject to the approval of the CAB and the SEC. The stock was originally obtained under a Sept. 9, 1958 agreement under which the two carriers agreed to a share-for-share exchange of 400,000 shares and the lease of each others jet planes during their respective busiest seasons. The CAB later disapproved this plan and ordered the airlines to divest themselves of the stock. **Price** — About $20 per share. **Proceeds**—To repay a $4,500,000 demand loan, and other corporate purposes. **Office**—Miami International Airport, Miami 59, Fla. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York City (managing).

New England Power Co.
Jan 24, 1961 it was reported that this subsidiary of New England Electric System plans to sell $20,000,000 of first mortgage bonds. **Office**—441 Stuart St., Boston 16, Mass. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.; Equitable Securities Corp., and Blair & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc., Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp.; Lehman Brothers. **Offering**—Expected in October.

● New Orleans Public Service, Inc. (5/25)
Nov. 10, 1960 it was reported that an issue of $15,000,000 of first mortgage bonds is expected in May, 1961. **Office** —317 Baronne St., New Orleans, La. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lee Higginson Corp., Equitable Securities Corp. and Eastman Dillon, Union Securities & Co. (jointly); Kidder, Peabody & Co. and Stone & Webster Securities Corp. (jointly); White, Weld & Co.; Salomon Brothers & Hutzler. **Bids**—To be received in New York City on May 25 at 11:30 a.m. (DST).

★ New York Central RR. (5/10)
April 4, 1961 it was reported that this road plans to sell about $4,155,000 of equipment trust certificates. **Office**—466 Lexington Ave., New York 17, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., and Salomon Brothers & Hutzler. **Bids**—To be received on or about May 10.

Northern Illinois Gas Co.
March 22, 1961 it was reported that this company plans to sell about $20,000,000 of common stock through a rights offering to stockholders. **Office**—50 Fox Street, Aurora, Ill. **Underwriters**—To be named. The last rights offering in April, 1954, was underwritten by First Boston Corp., and Glore, Forgan & Co., both of New York City. **Offering**—Expected in June.

Northern Natural Gas Co.
March 15, 1961, the company reported that it expects to raise about $80,000,000 of new money in 1961. Present plans are for issuance of about $30,000,000 of debentures by mid-year and an additional $30,000,000 to $35,000,000 of debentures by year-end. It is also expected that some $12,000,000 to $15,000,000 of common stock will be sold to stockholders through subscription rights in September or October. **Proceeds**—For construction. **Office**—2223 Dodge St., Omaha 1, Neb. **Underwriter** — Blyth & Co., New York City (managing).

● Northern States Power Co. (8/8)
Jan. 10, 1961 it was reported that this company plans to sell $20,000,000 of bonds in the third quarter of 1961. **Offices**—15 So. La Salle Street, Chicago 4, Ill.; 15 So. Fifth Street, Minneapolis 2, Minn.; 111 Broadway, New York 6, N. Y. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp. and Blyth & Co., Inc. (jointly). **Bids**—Expected to be received on Aug. 8.

Northwestern Public Service Co.
March 8, 1961 it was reported that this company plans to sell about $2,500,000 of bonds in August or September. **Office**—Huron, S. Dak. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart, & Co., and Kidder, Peabody & Co.

● Ohio Edison Co. (5/22)
March 28, 1961 it was reported that this company plans to sell $30,000,000 of bonds. **Office** — 47 North Main Street, Akron 8, Ohio. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Glore, Forgan & Co.; Eastman Dillon, Union Securities & Co., and White, Weld & Co. (jointly); First Boston Corp.; Morgan Stanley & Co. **Bids**—To be received on May 22 at 11:30 a.m. (DST). **Information Meeting**—Scheduled for May 17 at 3:30 p.m. (DST) at the New York Society of Security Analysts, 15 William St., New York City.

One Maiden Lane Fund, Inc.
March 2, 1961 it was reported that this fund expects to file 300,000 shares of common stock. **Price** — $3 per share. **Business**—This is a new mutual fund. **Proceeds**—For investment, mainly in listed convertible debentures and U. S. Treasury bonds. **Office**—1 Maiden Lane, New York 38, N. Y. **Underwriter**—G. F. Nicholls & Co., Inc., 1 Maiden Lane, New York 38, N. Y.

Pacific Gas & Electric Co.
March 28, 1961 it was reported that this company plans to offer additional common stock to stockholders on the basis of one share for each 20 shares held. Based on the 17,929,305 shares outstanding on Dec. 31, 1961 this would amount to about 896,465 common shares. **Office**—245 Market Street, San Francisco 6, Calif. **Underwriter**—To be named. The last rights offering on June 17, 1958 was underwritten by Blyth & Co., Inc., New York City.

Pacific Lighting Corp.
Jan. 3, 1961 it was reported by Paul A. Miller, Treasurer that the company will probably go to the market for $30,000,000 to $50,000,000 of new financing in 1961 and that it probably would not be a common stock offering. **Office**—600 California Street, San Francisco 8, Calif.

Pacific Telephone & Telegraph Co.
March 24, 1961 stockholders of this A. T. & T. subsidiary approved a plan to form a new company to be known as the Pacific Northwest Bell Telephone Co. The new concern will acquire the business and properties of the Pacific Telephone-Northwest division which operates in Washington, Oregon, and Idaho. All of the stock of the new company will be owned by Pacific Telephone but "as soon as practicable" it will be offered for sale to Pacific Telephone stockholders at a price to be fixed by the Board of Directors. **Office**—140 New Montgomery Street, San Francisco, Calif. **Underwriter**—The last offering of common stock to shareholders on Feb. 25, 1960 was not underwritten. However, A. T. & T., which owns over 90% of the outstanding shares, exercised its rights to subscribe to its pro rata share of the offering.

Panhandle Eastern Pipe Line Co.
March 8, 1961 it was reported that this company expects to sell about $72,000,000 of debentures in September, subject to FPC approval of its construction program. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder Peabody & Co., both of New York City (managing).

Pennsylvania Power Co.
Dec. 14, 1960, it was reported that this company has applied to the SEC for an order under the Holding Company Act, authorizing the issuance of $878,000 of first mortgage bonds, 3¼% series, due 1982. **Proceeds**—For sinking fund purposes. **Office** — 19 E. Washington St., New Castle, Pa. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; White, Weld & Co.; Equitable Securities Corp., and Shields & Co. (jointly); Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith Inc., and Dean Witter & Co. (jointly).

Public Service Co. of Colorado
Dec. 2, 1960, W. D. Virtue, treasurer, stated that company plans the sale of about $20,000,000 of common stock to be offered stockholders through subscription rights in mid-1961. **Proceeds**—For expansion. **Office**—900 15th St., Denver, Colo. **Underwriter** — Last equity financing handled on a negotiated basis by First Boston Corp.

Public Service Electric & Gas Co. (6/6)
March 22, 1961 it was reported that this company plans to sell about 900,000 shares of common stock, subject to the approval of the New Jersey Public Service Commission. **Proceeds** — For construction. **Office** — 80 Park Place, Newark, N. J. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc., New York City (managing).

Radiation Applications, Inc.
Jan. 17, 1961 it was reported that this company is considering a public offering of stock in 1962. **Business**—Develops plastic and chemical materials for the electronics and missile industries, and performs extensive research and development in the fields of atomic energy, extractive metallurgy, plastics, and electrical insulation. Schenley Industries, Inc., owns about 36% of the outstanding stock. **Office**—Long Island City, N. Y. **Underwriter**—To be named. Hayden, Stone & Co., New York, recently handled a private placement of the company's stock.

Rochester Gas & Electric Corp.
Jan. 24, 1961 the company stated it plans to issue about $15,000,000 of 30-year bonds in September. **Proceeds**—For construction. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., White, Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co.; Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co., Inc.; The First Boston Corp

Sierra Pacific Power Co. (5/4)
Feb. 16, 1961 the company stated that it plans to sell offer common stockholders the right to subscribe to additional stock on the basis of one new share for each 12 shares held. Based on the 795,416 common shares outstanding on Nov. 30, 1960 and the proposed 2-for-1 stock split expected to become effective March 29, 1961, this offering will involve about 132,570 new shares, and will be made on or about May 4. **Office**—220 South Virginia St., Reno, Nev. **Underwriter**—None.

Sierra Pacific Power Co. (5/11)
Feb. 16, 1961 the company reported that it plans to $6,500,000 of first mortgage bonds. **Proceeds**—For construction. **Office** — 220 South Virginia St., Reno, Nev. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone

& Webster Securities Corp.; Dean Witter & Co.; Kidder, Peabody & Co., and White, Weld & Co. (jointly). **Bids**—Expected to be received on May 11.

Silo's Discount House
Jan. 9, 1961 it was reported that this retail chain is contemplating its first public financing. **Office**—Philadelphia, Pa.

Sony Corp.
Feb. 21, 1961 it was reported that this company plans to sell 2,000,000 common shares in the U. S., this summer. A registration statement covering the proposed offering will be filed with the SEC. **Business**—The company is a major producer of electronic consumer goods such as tape recorders, transistor radios and television sets. **Office**—Tokyo, Japan. **Underwriter**—To be named.

Southern Electric Generating Co. (6/15)
Jan. 4, 1961 it was reported that this company, jointly owned by Alabama Power Co., and Georgia Power Co. both in turn controlled by The Southern Co., plans the public sale of $25,000,000 first mortgage bonds due June 1, 1992. **Proceeds**—For expansion. **Office**—600 North Eighteenth St., Birmingham 3, Ala. **Underwriters**—To be determined by competitive bidding. Previous bidders included Merrill Lynch, Pierce, Fenner & Smith Inc., and Blyth & Co., Inc., (jointly); Morgan Stanley & Co., White, Weld & Co., and Kidder, Peabody & Co. (jointly); Eastman Dillon, Union Securities & Co., Equitable Securities Corp. and Drexel & Co. (jointly); First Boston Corp.; and Halsey, Stuart & Co. Inc. **Registration**—Expected about May 8. **Bids**—To be received at 11 a.m. on June 15.

Southern Natural Gas Co.
Oct. 28, 1960 it was reported by Mr. Loren Fitch, company comptroller, that the utility is contemplating the sale of $35,000,000 of 20-year first mortgage bonds sometime in 1961, with the precise timing depending on market conditions. **Proceeds** — To retire bank loans. **Office**—Watts Building, Birmingham, Ala. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co. and Kidder, Peabody & Co. (jointly).

Southern Railway Co.
Nov. 21, 1960 stockholders approved the issuance of $33,000,000 of new bonds. The issuance of an unspecified amount of additional bonds for other purchases was also approved. **Proceeds** — For general corporate purposes, including the possible acquisition of Central of Georgia Ry. **Office**—Washington, D. C. **Underwriter**—Halsey, Stuart & Co. Inc., will head a group that will bid on the bonds.

Swift & Co.
Feb. 7, 1961 it was reported that stockholders voted Jan. 26 to authorize the company to issue up to $35,000,000 of convertible debentures, and to increase authorized common from 6,000,000 to 8,000,000 shares to provide additional underlying shares for the proposed convertible issue. **Proceeds**—For expansion and working capital. **Office**—Union Stock Yards, Chicago 9, Ill. **Underwriter**—To be named. The last issue of debentures in October 1958 was placed privately through Salomon Bros. & Hutzler, New York City.

Texas Bank & Trust Co. (Dallas)
March 15, 1961, it was reported that stockholders are to vote April 13, on increasing the authorized $10 par stock to provide for sale of 50,000 shares to stockholders on the basis of one new share for each six shares held. **Price** — $25 per share. **Proceeds** — To increase capital. **Office**—Main and Lamar Streets, Dallas, Texas. **Underwriter**—None.

Texas Gas Transmission Corp.
Jan. 11, 1961 it was reported that this company plans to sell $10,000,000 to $15,000,000 of bonds in the third quarter of 1961. **Office**—416 West Third Street, Owensboro, Ky. **Underwriter**—Dillon, Read & Co., New York City.

Thorough-Bred Enterprises, Inc.
March 16, 1961 it was reported that this company plans to sell 85,000 shares of common stock (par 10 cents). **Price** — $4 per share. **Business** — Operates a breeding farm for thoroughbred horses. **Proceeds**—For building a barn, purchasing land and acquiring additional horses. **Office**—Biscayne Boulevard, Miami, Fla. **Underwriter**—Sandkuhl Company, Inc., Newark, N. J., and New York City.

Traid Corp.
Jan. 4, 1961 it was reported that this company is contemplating some new financing. No confirmation was available. **Business**—The company specializes in airborne photo instrumentation and manufactures aircraft motion picture cameras and accessory items. **Office** — Encino, Calif. **Underwriter**—Previous financing was handled by D. A. Lomasney & Co., New York City.

Trunkline Gas Co.
March 8, 1961 it was reported that this subsidiary of Panhandle Eastern Pipe Line Co., expects to sell about $50,000,000 of bonds or preferred stock in September. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing).

Union Electric Co.
Jan. 19, 1961 it was reported that this company plans to sell $20,000,000 to $30,000,000 of preferred in late 1961. **Proceeds**—For expansion of facilities. **Office** — 315 N. 12th Blvd., St. Louis, Mo. **Underwriter** — To be determined by competitive bidding. The last sale of preferred in November 1949 was underwritten by First Boston Corp.; Dillon, Read & Co., Lehman Brothers; White, Weld & Co. and Shields & Co. (jointly); and Blyth & Co.

United Aircraft Corp.
Feb. 15, 1961 it was reported that this company is considering issuance of $50,000,000 of bonds to replace a seven-year term loan. **Office**—400 Main St., East Hartford, Conn. **Underwriter**—To be named. The company has never issued bonds, but its last offering of preferred stock on Sept. 17, 1956 was underwritten by Harriman Ripley & Co., Inc., New York and associates.

Universal Oil Products Co.
Jan. 17, 1961 it was reported that this company may require financing either through bank borrowings or the sale of debentures in order to further expansion in a major field which the company would not identify. No decision has been made on whether the product, named "Compound X," will be produced. **Business**—The company is a major petroleum and chemical research and process development concern. **Office**—30 Algonquin Rd., Des Plaines, Ill. **Underwriter**—To be named. The company has never sold debentures before. However, the last sale of common stock on Feb. 5, 1959 was handled by Lehman Brothers, Smith, Barney & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc., all of New York City.

Vinco Corp.
Feb. 20, 1961 it was reported that this company plans to sell $2,000,000 of convertible bonds. **Business**—The manufacture of precision parts and subassemblies for aircraft, missile and other industries. The company also produces guages and measuring instruments. **Proceeds**—For expansion and acquisition. **Office** — 9111 Schaefer Highway, Detroit, Mich. **Underwriter**—S. D. Fuller & Co., New York City.

• Virginia Electric & Power Co. (6/13)
Jan. 17, 1961 the company announced plans to sell $30,000,000 of first mortgage bonds. **Office**—Richmond 9, Va. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Eastman Dillon, Union Securities & Co.; Salomon Bros. & Hutzler; Goldman, Sachs & Co. **Bids**—Scheduled for June 13 at 11 a.m. (DST). **Information Meeting**—Scheduled for June 8 at 11 a.m. (DST) at the Chase Manhattan Bank, One Chase Plaza, New York City.

• Virginia Electric & Power Co. (12/5)
March 23, 1961, the company announced plans to sell $15,000,000 of securities, possibly bonds or debentures. **Office** — Richmond 9, Va. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Eastman Dillon, Union Securities & Co.; Salomon Brothers & Hutzler; Goldman, Sachs & Co. **Bids**—To be received on Dec. 5, 1961.

★ Walter (Jim) Corp.
April 4, 1961 it was reported that this company plans to sell about $20,000,000 of debentures. **Business**—The company constructs shell homes, provides credit life insurance on home mortgages and operates a chain of small loan companies. **Office**—1500 North Dale Mabry Highway, Tampa, Fla. **Underwriters**—To be named. The last sales of debentures were handled by Carl M. Loeb, Rhoades & Co., Alex. Brown & Sons and Prescott Shepard & Co. **Registration**—Imminent.

West Penn Power Co.
Feb. 10, 1961, J. Lee Rice, Jr., President of Allegheny Power System, Inc., parent company, stated that West Penn expects to sell about $25,000,000 of bonds in 1962. **Office** — 800 Cabin Hill Dr., Hempfield Township, Westmoreland County, Pa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; W. C. Langley & Co.; Lehman Brothers, Eastman Dillon, Union Securities & Co. and First Boston Corp. (jointly); Harriman Ripley & Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly).

Western Union Telegraph Co.
Feb. 28, 1961 it was reported that the FCC has approved the company's plan to transfer its Atlantic cable system to a newly organized company, Western Union International, Inc. The plan provides for the issuance by Western Union International of about $4,000,000 of subordinated debentures and 400,000 shares of class A stock to be offered to stockholders of Western Union Telegraph Co. in units of $100 of debentures and ten shares of stock. In addition, American Securities Corp., New York City, would purchase from Western Union International about 133,000 additional shares of class A stock giving American Securities ownership of approximately 25% of the outstanding class A stock of WUI. Then Western Union Telegraph would purchase 250,000 shares of class B stock for $100,000 and WUI would sell $4,500,000 of debentures or bonds. **Office**—60 Hudson St., New York City. **Underwriter**—American Securities Corp. (managing).

Wisconsin Power & Light Co.
Jan. 19, 1961 it was reported that this company plans to sell about $6,500,000 of preferred stock in the third quarter of 1961. **Proceeds**—For expansion. **Underwriters**—The last sale of preferred stock in May, 1958 was handled by Smith, Barney & Co., New York and Robert W. Baird & Co., Inc., Milwaukee (jointly).

Wisconsin Southern Gas Co.
Dec. 12, 1960 it was reported in a company prospectus that an undetermined amount of capital stock or bonds will be sold in 1961-1962. **Proceeds**—For the repayment of short-term bank loans incurred for property additions. **Office**—Sheridan Springs Road, Lake Geneva, Wis. **Underwriter** — The Milwaukee Co., Milwaukee, Wis. (managing).

Zayre Corp.
March 24, 1961, Stanley H. Feldberg, President, stated that this company may require additional financing in the near future. The type of security to be sold has not been decided upon but the company is considering the issuance of debentures or common stock. **Business**—The operation of self-service discount department stores, principally in the east and south. **Proceeds**—For expansion. **Office**—Natick, Mass. **Underwriter**—To be named.

A. C. Allyn Names New Officers

CHICAGO, Ill.—Benjamin S. Warren, Jr. and Francis A. Farr have been elected Vice-Presidents of A. C. Allyn and Company, Incorporated, 122 South La Salle St. Mr. Warren has been associated with the investment banking firm since 1943 as legal counsel. Mr. Farr is the New England Sales Manager for the company. He has been associated with the Allyn organization since 1941 and formerly was Assistant Treasurer.

John L. Lawver of the Syndicate Department has been named Assistant Vice-President. The company also announces the appointments of James T. O'Brien as Assistant Treasurer and James L. Mooney, Assistant Secretary.

Clark, Weinstock, Porges To Be Formed in N. Y.

As of April 10, Clark, Weinstock & Porges, members of the New York Stock Exchange, will be formed with offices at 37 Wall Street, New York City. Partners will be Michel Porges, member of the Exchange, Rensselaer W. Clark, Harold B. Weinstock and Mildred P. Arnold, general partners, and Charles Goldschmidt, Yvette Cole and Jean Hackett, limited partners. General partners were all partners in Porges, Singer & Co., which is being dissolved.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — President Kennedy's new Director of the Bureau of the Budget made no headlines with his specific estimates the other day, but they are of marked significance to the securities field and the country as a whole.

When former President Eisenhower sent his budget message to Congress in January shortly before relinquishing his office to Mr. Kennedy, he estimated that there would be a decrease by $400,000,000 in the amount of funds needed for interest payments on the public debt for fiscal 1962.

The then chief executive said payments would decrease to $8.6 billion. These payments are almost entirely for interest on the public debt and represent 11% of total budget expenditures. The 1962 fiscal year estimate compared with $8.9 billion estimated for the current fiscal year ending June 30, and $9.180 billion in 1960.

Now comes along David Bell, President Kennedy's Budget Director, with some statements before the Joint Economic Committee of Congress that are a bit startling.

"Expenditures for interest in 1962 are now estimated to be $8.693 billion, an increase of $100 million over the January estimate," said Mr. Bell. "This is due to increased interest on the public debt growing mainly out of the heavier borrowing in 1961 and 1962 now expected."

Spend More to Get More

Mr. Bell says our government is not only going to end this year with a deficit of more than $2 billion, but it appears likely to be even greater for fiscal 1962 starting July 1.

Mr. Bell rationalizes the proposed increased expenditures of the new Administration with the profound statement that: "The proposed increases in expenditures can be expected to generate an increase in economic activity and in income over the next year, which will, in turn, yield an increase in tax revenues, estimated in the President's message at $900 million."

The President's budget officer in his remarks before the Joint Economic Committee was not one bit disturbed over the deficit spending that is coming up. Apparently it is fine to have a budget—for the other fellow.

The United States Government lived beyond its income a substantial part of the time during President Eisenhower's Administration. He did not do as well in holding down spending as he had hoped, particularly with the Democratic controlled Congress with one exception.

Poor Record

The Democrats are known as the spenders and they apparently are not going to change their philosophy, which seems to be: Just tax the devil out of the people, and when they get mad enough give some of it back to them.

The Bureau of the Budget was created in 1921. In 1939 it was made an independent office under the President. One of its paramount functions is to make a concerted effort to keep our government spenders within our income. It hasn't done a very good job along that line.

Higher Interest Rates Strong Possibility

For more than a year and a half market rates on securities issued by the United States Government has been decreasing. The peak appeared to have been reached in 1959 when the Treasury was required to pay 5% on some notes. This was the highest rate paid by the Federal Government in 30 years or more.

The way that the new Administration is beginning, however, the interest rates on bonds may edge upward before long. The Treasury has considerable financing ahead and will have to make several journeys to the money market during the next five years.

The liberal economists made much out of what they described as the tight-money-interest-rate policy of the Eisenhower Administration. They contended that the "policy" was imposing a great waste upon governments at all levels, and that the same policy was fanning inflation.

What these "spend and spend" economists fail to point out is that the interest rates on the money the governments were borrowing was money saved by the people in all walks of life, despite the heavy taxes.

Budget Director Bell told the Joint Economic Committee that in the Eisenhower January budget submitted to Congress both the expenditure and revenue estimates were in error.

Hike in Debt Limit Likely

General Eisenhower said in January: "If the Congress accepts the proposals in this budget, and the proposed budget surplus for fiscal year 1962 is achieved, at the end of that year the government will have some operating leeway within the permanent debt limit of $285 billion."

On June 30, less than three months away, the present temporary debt limit of $293 billion will expire. Congress perhaps will provide a temporary increase in the limit.

On the other hand Congress appears to be unready to remove the $4\frac{1}{4}\%$ statutory limitation on new issues of Treasury bonds. This remains, despite the current lower interest rates, a barrier to efficient long-range public debt management.

Treasury officials readily admit that the marketable debt is too heavily concentrated in securities of relatively short maturity, with almost 80% of the total coming due within five years.

Because so many billions of the debt are coming due before President Kennedy's term expires, and because spending appears likely to go up still more, it seems unlikely that the United States Treasury will be able to continue to borrow money at the current market rates.

Huge Increase in Federal Spending Anticipated

How does Budget Director Bell look at the long-range fiscal policy? He rationalizes that it is all right to go ahead and spend. "This is a growing country with an expanding labor force," said Mr. Bell, "continually better technology, and a steadily increasing capacity to produce. . . . The United States has very large resources to meet its obligations of world leadership and, at the same time, to achieve major advances in well being at home."

The Budget Director predicts that under existing laws and programs, annual Federal budget expenditures seem likely to increase by $15 to $20 billion in the coming decade, and annual trust fund (social security, etc.) by another $10 to $15 billion.

It was no surprise for Mr. Bell to tell Congress that developments abroad indicate that the January estimate of 1961 expenditures for the military functions of the Department of defense, was an underestimate. He maintains that a more realistic figure is $42.2 billion, an increase of $744,000,000.

1962 Deficit an Unknown Quantity

No one knows of course how big the deficit will be in fiscal 1962. Budget income is now estimated at $81.4 billion. Corporation income taxes are not expected to decline significantly below earlier estimates. On the other hand, individual income taxes and excise taxes are now expected to decline a great deal.

The income estimate is on the assumption, of course, that Congress extends the corporate income and excise tax rates, plus adoption of Mr. Kennedy's recommendation that it not now take away certain funds from the Treasury and place them in the highway trust fund.

It appears fairly certain that the corporation taxes and the excise taxes will be continued by Congress. Meantime, there is quite a verbal wrangle going on up on Capitol Hill over the accelerated highway construction program. There is considerable opposition to increasing the highway users tax and continuing the 4 cent Federal gasoline tax. The gasoline tax is scheduled to revert back to 3 cents a gallon Federal tax this year, unless Congress extends the law, which will probably be done.

It is extremely difficult to remove a tax, once it is levied. There are too many people in government who want to keep that money.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]

"When they kick you upstairs in this firm, it's not just a figure of speech!"

Sheehan Joins Myron Lomasney

Joseph E. Sheehan, formerly with Shields & Co., has become associated with Myron A. Lomasney & Co., 67 Broad Street, New York City, as Director of Sales.

COMING EVENTS

IN INVESTMENT FIELD

April 7, 1961 (New York City)
New York Security Dealers Association annual dinner at the Hotel Commodore.

April 7, 1961 (Toronto, Canada)
Toronto Bond Traders Association annual dinner.

April 12-14, 1961 (Houston, Tex.)
Texas Group Investment Bankers Association of America 26th annual convention at Shamrock Hilton Hotel.

April 21, 1961 (New York, N. Y.)
Security Traders Association of New York annual dinner at the Grand Ballroom of the Waldorf-Astoria.

April 29-May 3, 1961 (Richmond, Va.)
National Federation of Financial Analysts Societies 14th annual convention at the John Marshall Hotel.

May 1-3, 1961 (Philadelphia, Pa.)
National Association of Mutual Savings Banks 41st annual conference at the Penn-Sheraton Hotel.

May 8-9, 1961 (St. Louis, Mo.)
Association of Stock Exchange Firms — Spring meeting of the Board of Governors.

May 19, 1961 (New York, N. Y.)
STANY Glee Club 7th annual dinner dance at the Waldorf-Astoria Hotel.

June 2, 1961 (New York City)
Bond Club of New York annual outing at Sleepy Hollow Country Club.